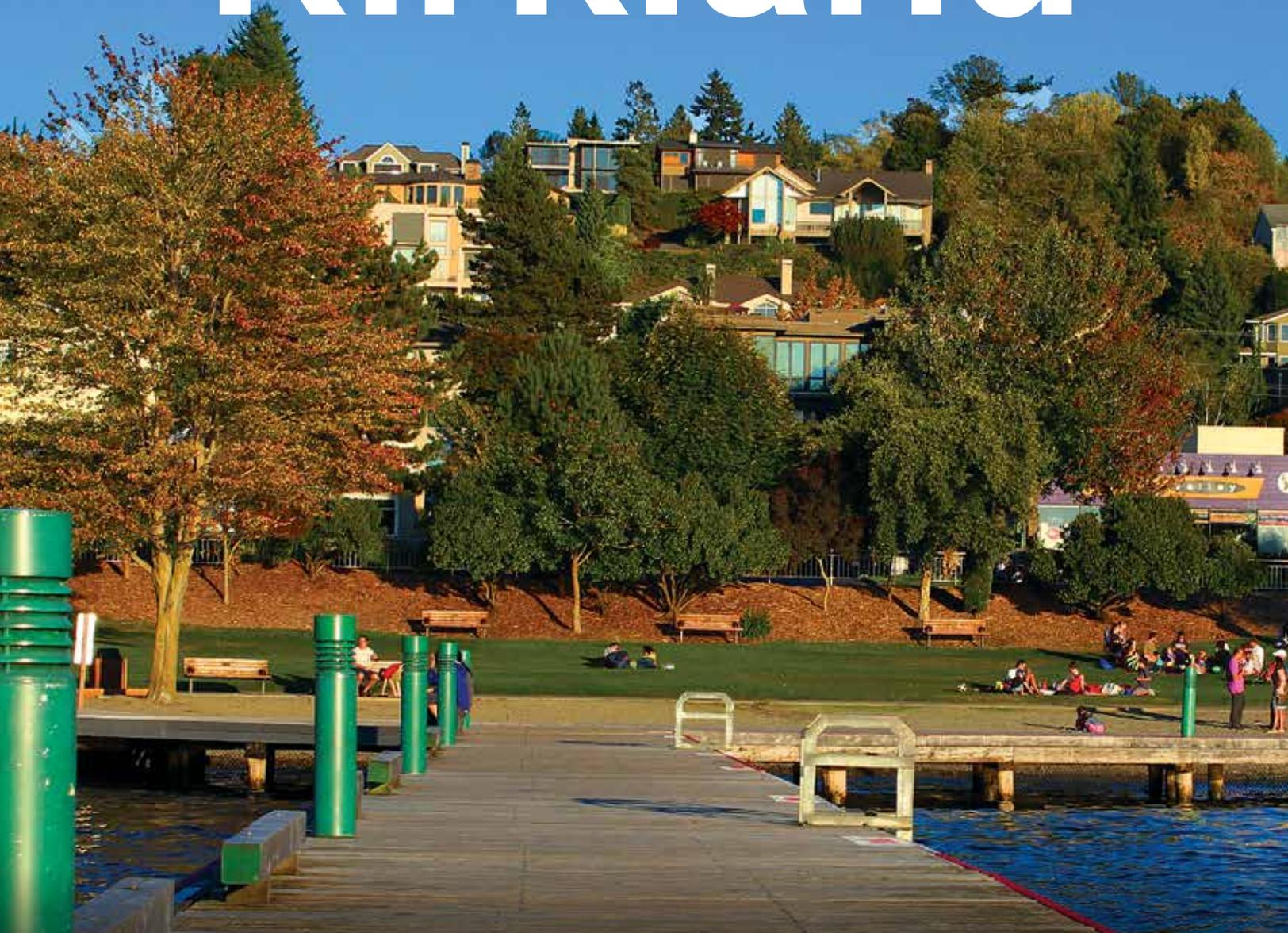


2013-2014 BUDGET

# Kirkland



## CITY COUNCIL GOALS



ENVIRONMENT



HUMAN SERVICES



PARKS, OPEN SPACES AND RECREATIONAL SERVICES



FINANCIAL STABILITY



ECONOMIC DEVELOPMENT



BALANCED TRANSPORTATION



HOUSING



NEIGHBORHOODS



PUBLIC SAFETY



DEPENDABLE INFRASTRUCTURE



### Kirkland at a Glance

|   |                 |
|---|-----------------|
| Founded                                   | 1888            |
| Incorporated                              | 1905            |
| Population                                | 81,480          |
| Elevation                                 | 14 to 500 feet  |
| Land Area                                 | 18 square miles |
| Average Temperature                       | 46.8 degrees    |
| Average Annual Precipitation              | 38.6 inches     |
| Miles of City Streets                     | 254             |
| Miles of City Sewers                      | 116             |
| Miles of Water Lines                      | 173             |
| Residential Dwellings                     | 37,135          |
| City Retail Sales Tax                     | 9.5%            |
| Fire Department Rating Class              | 4               |
| City Employees<br>(Full-Time Equivalents) | 546.08          |
| General Obligation Bond Rating:           |                 |
| Moody's                                   | Aa2             |
| Standard and Poor's                       | AAA             |

### City Council

Mayor, Joan McBride ♦ Deputy Mayor, Doreen Marchione ♦ Dave Asher ♦ Toby Nixon  
 ♦ Penny Sweet ♦ Bob Sternoff ♦ Amy Walen

#### Administrative Staff

*City Manager*  
Kurt Triplett

*Deputy City Manager*  
Marilynne Beard

*Municipal Court Judge*  
Michael Lambo

*City Attorney*  
Robin Jenkinson

*Director of Finance & Administration*  
Tracey Dunlap

*Director of Fire & Building*  
Kevin Nalder

*Director of Human Resources & Performance Management*  
James Lopez

*Chief Information Officer*  
Brenda Cooper

*Director of Parks & Community Services*  
Jennifer Schroder

*Director of Planning & Community Development*  
Eric Shields

*Chief of Police*  
Eric Olsen

*Director of Public Works*  
Ray Steiger

The City of Kirkland is located on the eastern shore of Lake Washington. It is a suburban city, surrounded by other suburban cities and pockets of unincorporated King County. The City is near several major transportation routes including Interstate 405, State Route 520, and Interstate 5. These routes connect the City economically and socially to the greater Seattle area.

At the time of incorporation in 1905, the City of Kirkland's population was approximately 530. The current estimated population is 81,480. Kirkland is the twelfth largest city in the State of Washington and the sixth largest in King County.

Since its incorporation, Kirkland has grown in geographic size to eighteen square miles -approximately twenty times its original size. This growth occurred primarily through the consolidation of the cities of Houghton and Kirkland in 1968, the annexations of Rose Hill and Juanita in 1988 and the annexation of North Juanita, Finn Hill, and Kingsgate areas (JFK area) in 2011.

Kirkland operates under a Council-Manager form of government. The City Council is the policy-making branch of Kirkland's government and consists of seven members elected at large to staggered, four-year terms. The Mayor is elected from within the Council. The City Council is supported by several advisory boards and commissions and the City Manager. The City Manager is appointed by the City Council and serves as the professional administrator of the organization, coordinating its day-to-day activities.

The City government offers a full range of municipal services which are provided by eleven operating departments. The City boasts forty-five parks, including eleven that are located on the waterfront, as well as two community centers, a swimming pool, and a teen center. The broad range of recreational facilities provides year-round services for citizens of all ages.

For more information about Kirkland, see the Community Profile on page 477.

\*Cover photo taken at Houghton Beach Park, Kirkland, WA

# 2013 - 2014 Budget

**KIRKLAND**

**WASHINGTON**



**Tracey Dunlap, P.E.**  
**Director of Finance and Administration**

Prepared by

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With special thanks to the following for their extra efforts in producing this document:  
Kyle Butler, Christian Knight, Chris Lynch, Michael Olson, Nancy Otterholt, Lindsay Talbott, & Carol Wade.



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# CITY OF KIRKLAND

## 2013-2014 BUDGET

### *TABLE OF CONTENTS*

|  |      |
|--|------|
| Budget Message .....                     | i    |
| Summary of Expenditure Reductions .....  | xxv  |
| Summary of Service Package Requests..... | xxxi |
| Kirkland Profile .....                   | 1    |
| Budget Guide.....                        | 9    |
| Fiscal Policies.....                     | 19   |
| <br>BUDGET SUMMARY                       |      |
| 2013-2014 Budget .....                   | 27   |
| Budget Overview .....                    | 32   |
| <br>Revenue                              |      |
| Revenue Trends & Assumptions.....        | 37   |
| Property Tax Distribution.....           | 55   |
| Distribution of Investment Income .....  | 57   |
| <br>Budget Focus                         |      |
| Fund Balance and Reserves .....          | 61   |
| Change in Fund Balance .....             | 65   |
| Position Summary .....                   | 66   |
| Payments to Other Agencies.....          | 68   |
| Human Services Funding .....             | 69   |
| Summary of Legal Services.....           | 70   |
| Capital Improvement Program .....        | 71   |
| <br>PERFORMANCE MEASURES                 |      |
| 2011 Performance Measures Report .....   | 75   |
| <br>GENERAL GOVERNMENT OPERATING         |      |
| Budget Summary .....                     | 107  |
| Change in Fund Balance .....             | 108  |
| Revenue Summary.....                     | 113  |
| Expenditure Summary .....                | 121  |
| <br>General Fund                         |      |
| Revenue Summary.....                     | 129  |
| Expenditure Summary .....                | 141  |
| General Fund Budget Analysis.....        | 144  |

Expenditures by Department:

|   |     |
|---|-----|
| General Government Operating Reserves ..... | 147 |
| Non-Departmental .....                      | 151 |
| City Council .....                          | 155 |
| City Manager .....                          | 163 |
| Municipal Court .....                       | 171 |
| Human Resources .....                       | 177 |
| City Attorney .....                         | 183 |
| Parks & Community Services.....             | 189 |
| Public Works.....                           | 197 |
| Finance & Administration.....               | 205 |
| Planning & Community Development.....       | 213 |
| Police .....                                | 221 |
| Fire & Building .....                       | 229 |

Special Revenue Funds

|                          |     |
|--------------------------|-----|
| Lodging Tax .....        | 237 |
| Street Operating .....   | 247 |
| Cemetery Operating ..... | 257 |
| Parks Maintenance .....  | 263 |
| 2012 Parks Levy .....    | 273 |

Internal Service Funds

|                              |     |
|------------------------------|-----|
| Health Benefits .....        | 283 |
| Equipment Rental .....       | 289 |
| Information Technology ..... | 303 |
| Facilities Maintenance ..... | 313 |

GENERAL GOVERNMENT NON-OPERATING

|                              |     |
|------------------------------|-----|
| Budget Summary .....         | 321 |
| Change in Fund Balance ..... | 323 |

Special Revenue Funds

|   |     |
|---|-----|
| General Government Special Revenue Funds Narrative..... | 327 |
| Budget Summary by Purpose.....                          | 328 |
| Change in Fund Balance .....                            | 329 |

Debt Service Funds

|   |     |
|---|-----|
| General Government Debt Service Funds Narrative ..... | 333 |
| Budget Summary by Purpose.....                        | 334 |
| Change in Fund Balance .....                          | 335 |
| Payment and Reserve Summary.....                      | 336 |
| Schedule of Long Term Debt .....                      | 337 |
| Debt Capacity .....                                   | 338 |
| Debt Service Schedules .....                          | 339 |

Capital Projects Funds

|   |     |
|---|-----|
| General Government Capital Projects Fund Narrative..... | 349 |
| Budget Summary by Purpose.....                          | 350 |
| Change in Fund Balance .....                            | 351 |
| 2013-2014 Capital Improvement Program .....             | 352 |
| 2013-2018 Capital Improvement Program .....             | 356 |

|   |     |
|---|-----|
| General Government Trust Funds                              |     |
| General Government Trust Funds Narrative .....              | 365 |
| Budget Summary by Purpose .....                             | 366 |
| Change in Fund Balance .....                                | 367 |
| WATER/SEWER UTILITY   |     |
| Budget Summary by Fund .....                                | 369 |
| Change in Fund Balance .....                                | 370 |
| Water/Sewer Operating .....                                 | 373 |
| Water/Sewer Non-Operating                                   |     |
| Budget Summary by Purpose .....                             | 383 |
| Water/Sewer Utility Debt Service Fund Narrative .....       | 384 |
| Payment and Reserve Summary .....                           | 385 |
| Debt Service Schedules .....                                | 386 |
| Water/Sewer Utility Capital Projects Fund Narrative .....   | 395 |
| 2013-2014 Capital Improvement Program .....                 | 396 |
| 2013-2018 Capital Improvement Program .....                 | 398 |
| SURFACE WATER UTILITY                                       |     |
| Budget Summary by Fund .....                                | 401 |
| Change in Fund Balance .....                                | 402 |
| Surface Water Operating .....                               | 405 |
| Surface Water Non-Operating                                 |     |
| Budget Summary by Purpose .....                             | 415 |
| Surface Water Utility Capital Projects Fund Narrative ..... | 417 |
| 2013-2014 Capital Improvement Program .....                 | 418 |
| 2013-2018 Capital Improvement Program .....                 | 420 |
| SOLID WASTE UTILITY   |     |
| Solid Waste Operating .....                                 | 421 |
| APPENDIX  |     |
| Certificate .....   | 429 |
| Ordinance .....   | 431 |
| Policies  |     |
| Investment Policy .....                                     | 439 |
| Debt Management Policy .....                                | 453 |
| Reserve Replenishment Principles .....                      | 461 |
| Glossary .....  | 467 |
| Community Profile .....                                     | 477 |



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**2013-2014 BUDGET**  
**BUDGET MESSAGE**

Dear Council Members and Citizens of Kirkland,

We are proud to present to you the City Manager's **proposed 2013-2014** budget. Despite the continued economic challenges faced by the City, the proposed budget is balanced, financially sound and all financial elements necessary to retain our AAA credit rating are funded. All basic government operations are backed with on-going, predictable revenues, significant contributions are made to our reserves, and prudent sinking funds for public safety and technology equipment are established. This budget funds the priorities and vision of our citizens as identified by our community survey and achieves progress on the Goals adopted by the City Council. The City Manager's **proposal enhances** core public safety programs by funding the construction and operation of our new Public Safety Building for Police and Court services, as well as making significant initial investments in our Fire Strategic Plan. The budget protects our quality of life and the environment while also investing in job creation and economic development. The City **Manager's proposal** also identifies the street, park, sidewalk and pedestrian safety investments that will be made if the citizens of Kirkland approve Propositions 1 and 2 on November 6th.

These accomplishments are detailed in the budget for every department and program, but we have also organized the summary information much differently than in past budgets. We have done so to respond to requests from the Council to ensure the documents identify how the budget implements community priorities and Council Goals, and also to provide the Council with better information to make trade-offs between program budgets. In the introduction that follows we highlight revenues and expenditures (both reductions and increases), and then categorize all notable investments under the appropriate **Council Goal. We also show how the proposed budget addresses the "improvement opportunities"** identified in the 2012 community survey. We believe this new structure helps demonstrate to the Council and the public that this budget is responsive, sustainable and moves the City towards achieving the **community's vision of Kirkland as an "attractive, vibrant, and inviting place to live, work and visit"**.

**INTRODUCTION**

The 2011-2012 biennium represented a time of unprecedented change at the City of Kirkland. Foremost among those changes was the annexation of the Juanita, Finn Hill, and Kingsgate neighborhoods, which **increased the City's population and the geographic area served by over 60%. In addition, the 2011-2012** budget reflected continued service level reductions in response to economic conditions, implementation of a number of fund consolidations required by changes in government accounting standards, and **included the City's decision to become self-insured for medical benefits.** All of these changes render comparisons with past budgets of limited use. Instead, the 2013-2014 budget will set a new baseline for the City of Kirkland looking into the future.

This budget provides the opportunity to recalibrate the projected revenues and service needs, now that the City has been operating in the new neighborhoods since June 1, 2011. In addition, during the upcoming biennium, the City will update a number of strategic planning documents to incorporate the new neighborhoods and set a path for the new, larger City.



This budget was developed under the broad guidance of the 2012 City Work Program item:  
*Adoption of a 2013-2014 budget that demonstrates efficient, cost effective services.*

**This item links directly to the Council's goal of Financial Stability:**  
*Provide a sustainable level of core services that are funded from predictable revenue.*

There are three elements of the proposed budget that reflect policy implementation to further the objective of financial stability and sustainability during this time of slow economic recovery:

- The proposed 2013-2014 budget further implements the 2011 City Work Program item: *Explore **new revenue options** authorized by the state or requiring voter approval.* As part of the pursuit of more reliable revenue sources to support core services and based on community priorities and feedback, the City Council has placed two property tax levy lid lift propositions on the November 2012 ballot: Proposition 1 – Levy for City Street Maintenance and Pedestrian Safety and Proposition 2 – Levy for City Parks Maintenance, Restoration, and Enhancement. The preliminary budget has been constructed assuming that those levies pass, to provide a detailed look at how the funds would be spent.
- In late 2011, the City Council adopted Resolution R-4900 regarding **reserve replenishment** to provide a framework for replacing reserve funds that were used to help mitigate the impacts of the recession. This policy calls for 1% of the General Fund operating budget to be set aside toward reserve replenishments until reserves reach 80% of target (100% for revenue stabilization), which was projected at that time to take at least 7 years to accomplish. The on-going contribution helps make progress on the replenishment, taking the revenue stabilization reserve to 100% of target and the overall General Purpose Reserves to 71.6% of target. Staff is recommending that the reserve fiscal policies be amended to exclude the proposed levies from the reserve target calculation. The basis for this recommendation is that the levies are not intended to burden the General Fund and would be expected to absorb capital over-runs or unexpected operating expenses from levy proceeds.

Staff is also recommending that the Council pass a resolution to suspend the replenishment element restricting the use of unplanned funds until 80% of all targets are met due to the following special conditions:

- Continuation of the past practice of funding of some programs with one-time funds (ARCH Trust Fund, Kirkland Performance Center support, and others) given the discretionary nature of the funding levels and the absence of reliable ongoing resources for those purposes,
- One-time investment needed to establish the Public Safety/Information Technology sinking funds, and
- The objective of addressing some of the high-priority recommendations from the recently completed Fire Strategic Plan.

The Finance Committee supports both of these recommendations.

One of the benefits of building reserve replenishment into the operating budget is that it provides a hedge against the eventual expiration of the 10-year annexation sales tax credit in 2021. Assuming reserves will be at target by that time, the operating component of reserve replenishment can be discontinued. This action, taken with the drop in debt service requirements scheduled to occur at that time, should help the City continue current operations, despite the loss of a revenue source that currently generates over \$3.4 million per year.

- A need recognized during the 2011-2012 budget process was the establishment of **sinking funds** for the periodic replacement of public safety and information technology infrastructure equipment. In the past, this need has been met using one-time funds and capital improvement program funds, however, it had competed with other priorities even though it represents a predictable and on-going need. **The preliminary budget reflects the establishment of a sinking fund for these needs, which is described further in an issue paper.**

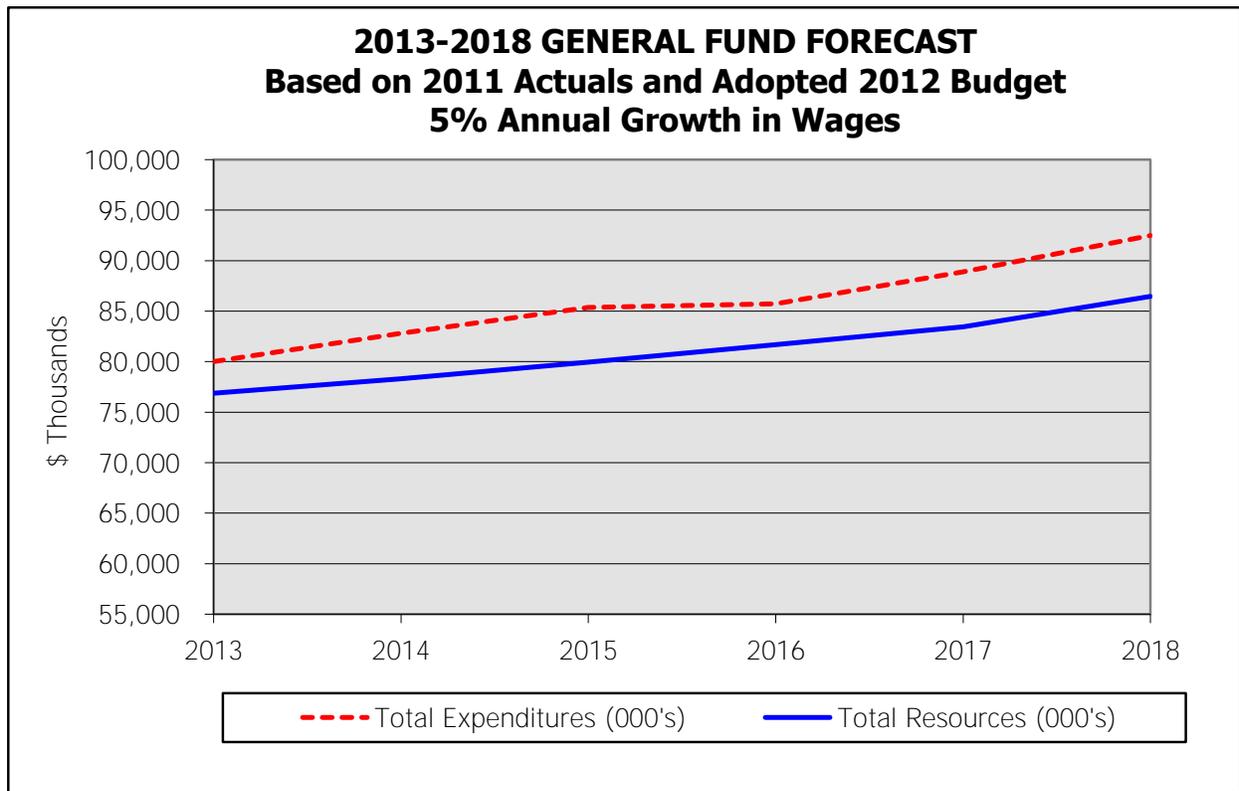
This budget also provides the opportunity to present recommendations in the context of the City Council goals, originally established in late 2009 and updated and reaffirmed in October 2011. The structure of the budget decision-making process and the document itself has been modified to better integrate the

goals and performance measures, with the end result being a suggested preliminary City Work Plan for the upcoming biennium.

Despite these steps to help ensure financial stability, there are always unknowns and uncertainties in any financial projection. The major risk to the sustainability of the proposed budget is the overall health of the U.S. and local economy. **On the downside, the City's economic health would be jeopardized if the U.S. economy is thrown back into recession by the impacts resulting from the expiration of tax rate reductions and extended unemployment benefits at the end of 2012, along with the impacts of the looming Federal sequestration.** The sequestration is a series of automatic across-the-board spending cuts to certain elements of the Federal budget, scheduled to take effect on January 2, 2013. Potential impacts from these actions on the City may include the reduction of the Build America Bond subsidy by 7.6% (about \$45,000 per year), reduced Federal grant programs including Community Development Block Grants and other public safety and environmental programs, and potential shifts in service provision due to reductions in State funding that would trickle down to local governments. On the positive side, **the City's financial outlook could be positively impacted by proposed major developments, such as Park Place and Totem Lake Mall, and decisions of major employers to increase their local presence.**

### GENERAL FUND TRENDS

The General Fund forecast presented at the City Council Retreat in March 2012 projected a \$7.7 million shortfall for the 2013-2014 biennium.



|                               | 2013           | 2014           | 2015           | 2016           | 2017            | 2018           |
|-------------------------------|----------------|----------------|----------------|----------------|-----------------|----------------|
| Total Resources (000's)       | 76,882         | 78,302         | 79,964         | 81,677         | 83,441          | 86,453         |
| Total Expenditures (000's)    | 80,026         | 82,814         | 85,376         | 85,742         | 88,900          | 92,481         |
| <b>Net Resources (000's)</b>  | <b>(3,144)</b> | <b>(4,512)</b> | <b>(5,412)</b> | <b>(4,065)</b> | <b>(5,459)</b>  | <b>(6,027)</b> |
| <b>Biennium Total (000's)</b> | <b>(7,656)</b> |                | <b>(9,477)</b> |                | <b>(11,486)</b> |                |

The 2013-2014 shortfall projected at that time was driven by the following major assumptions:

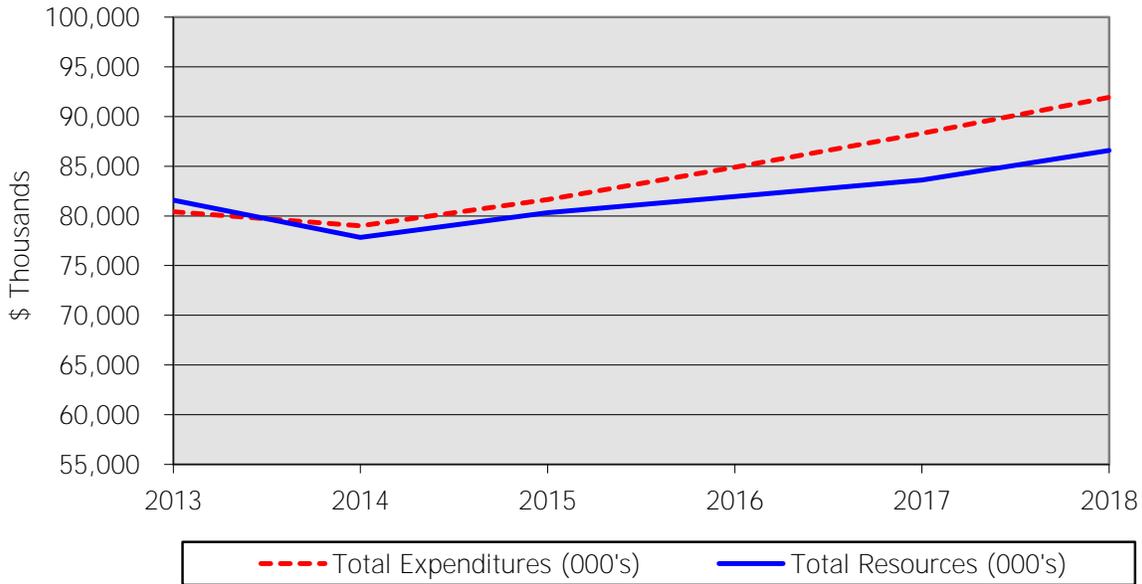
- Revenue collections from the new neighborhoods falling significantly below projections, especially in the area of sales taxes, where actual receipts were approximately one-third of the estimated amount that King County had provided during the annexation process.
- Telecommunications utility taxes falling below expectations, both in revenues from the new neighborhoods and the continuing decline due to changes in usage patterns and exemptions of certain services legislated by the Federal government.
- Assumed growth in salaries at 5% (2.5% for raises, 1.5% for steps/longevity, and 1% for market/other adjustments) and benefit cost growth of 7%. These assumptions were reduced from past forecasts to recognize **the City's focus on controlling wage and benefit cost growth.**
- **Reserve replenishment at 1% of the General Fund budget, consistent with the City's fiscal policies.**
- All vacant positions approved for annexation would be filled.

In developing this proposed budget, a number of actions were taken to address the projected shortfall and present a balanced budget for 2013-2014:

- Revise revenue projections, which closes the gap by approximately \$2.4 million, reflecting improvements in economic activity,
- Recalibrate new neighborhood public safety service level requirements based on actual experience, a reduction of \$1.9 million and 6.5 vacant FTEs,
- Reprioritize service levels in selected areas, with a focus on maintaining as much direct service to the public as possible, resulting in a reduction of \$1.6 million and 7.1 FTEs (5.6 vacant positions and 1.5 filled positions),
- Identify efficiencies, process improvements, and other refinements within the existing budget, resulting in a savings of \$1.0 million,
- Move away from inflation-based salary increases in selected labor contracts, resulting in slower cost growth, reducing the projection by approximately \$0.5 million,
- Recognize funds available from savings in 2011-2012, primarily due to positions held vacant throughout the City and lower than projected jail contract costs for inmate housing.

The revised forecast on the following page reflects a balanced budget for 2013-2014, although there is still a structural imbalance in subsequent years due to the underlying mismatch between predictable growth in revenues and the rate of cost increase to provide City services. The gap is smaller than it was **in the prior forecast, due to actions taken to balance this budget and the City's continued focus on "bending the cost growth curve" to a more sustainable level.**

**2013-2018 GENERAL FUND FORECAST  
Based on Preliminary 2013-2014 Budget  
5% Annual Growth in Wages**



|                               | <b>2013</b>  | <b>2014</b>    | <b>2015</b>    | <b>2016</b>    | <b>2017</b>     | <b>2018</b>    |
|-------------------------------|--------------|----------------|----------------|----------------|-----------------|----------------|
| Total Resources (000's)       | 81,572       | 77,842         | 80,323         | 81,950         | 83,625          | 86,584         |
| Total Expenditures (000's)    | 80,420       | 78,994         | 81,640         | 84,889         | 88,320          | 91,940         |
| <b>Net Resources (000's)</b>  | <b>1,152</b> | <b>(1,152)</b> | <b>(1,317)</b> | <b>(2,938)</b> | <b>(4,694)</b>  | <b>(5,356)</b> |
| <b>Biennium Total (000's)</b> | <b>0</b>     |                | <b>(4,255)</b> |                | <b>(10,050)</b> |                |

**BUDGET SUMMARY**

In keeping with the biennial budget format, most of the descriptions and comparisons presented in the budget reflect two-year totals. In some cases, annual changes are shown to illustrate trends.

**The total biennial budget for 2013-2014 is \$540.4 million** which is a 13.5% increase from the 2011-2012 budget of \$476.1 million. Factors contributing to the change include:

- The full two-year cost of providing services in the new neighborhoods,
- Increases in health benefit costs, which appear both in the operating funds and the medical self insurance internal service fund,
- The assumed program enhancements that would be funded by the proposed Street and Park voted levy lid lifts, if successful, which are budgeted in both the operating and capital funds and **account for the large percentage increase in "Other Operating"**,
- Construction of the Public Safety Building and occupancy in mid-2014,
- Costs associated with setting up sinking funds for Public Safety and Information Technology equipment, which appear in both the General Fund and the Non-Operating capital fund,
- Increases in expected revenues from Real Estate Excise Tax (REET), impact fees, and lodging tax due to the improving economy,

- Water, sewer, and solid waste rate increases and a full year of revenues from the new neighborhoods in the surface water and solid waste utilities,
- An accounting change that results in the City utility tax appearing in both the utility funds and the General Fund, which duplicated the revenues in the budget but did not increase costs to ratepayers.

The following table shows the relative change in the budget’s major components:

|                        | <b>2011-12<br/>Budget</b> | <b>2013-14<br/>Budget</b> | <b>%<br/>Change</b> |
|------------------------|---------------------------|---------------------------|---------------------|
| <b>GENERAL GOV'T</b>   |                           |                           |                     |
| General Fund           | 161,231,911               | 171,895,906               | 6.6                 |
| Other Operating        | 18,604,602                | 27,609,860                | 48.4                |
| Internal Service Funds | 57,181,149                | 68,510,621                | 19.8                |
| Non-Operating Funds    | 113,823,171               | 121,974,625               | 7.2                 |
| <b>UTILITIES</b>       |                           |                           |                     |
| Water/Sewer            | 66,961,952                | 77,839,643                | 16.2                |
| Surface Water          | 33,193,878                | 39,895,988                | 20.2                |
| Solid Waste            | 25,102,501                | 32,634,724                | 30.0                |
| <b>TOTAL BUDGET</b>    | <b>476,099,164</b>        | <b>540,361,367</b>        | <b>13.5</b>         |

**The general fund budget totals \$171.9 million**, which represents a two-year increase of 6.6% over the previous two-year period. Much of the increase in the General Fund is driven by the full two-year cost of serving the new neighborhoods, growth in wage and benefit costs, establishing equipment sinking fund reserves for public safety and information technology, and funding service packages.

The typical focus for the Council’s budget discussion relates to the operating budget which accounts for basic services to the public. The most important (and largest) component of the operating budget is the General Fund which accounts for the majority of general government services and most of the City’s general purpose revenue sources. The following sections describe overall revenue and expenditure trends that influenced this budget recommendation and provide a context for understanding this budget and for future financial planning decisions.

## REVENUE TRENDS

The revenue trends in 2011-2012 reflected two dynamics:

- The stabilizing of base revenues after the steep decline during the “Great Recession”, albeit at a considerably lower level than the peak in 2007, and
- The addition of the revenues from the new neighborhoods, which began slowly after the effective date in June 2011, with the majority of revenue sources not reaching predictable levels until the early part of 2012.

The addition of those revenues made property taxes the largest General Fund revenue source. Given uncertainties in the economy, the assumptions for revenue growth reflect caution, but assume a return to moderate growth after several years of decline.

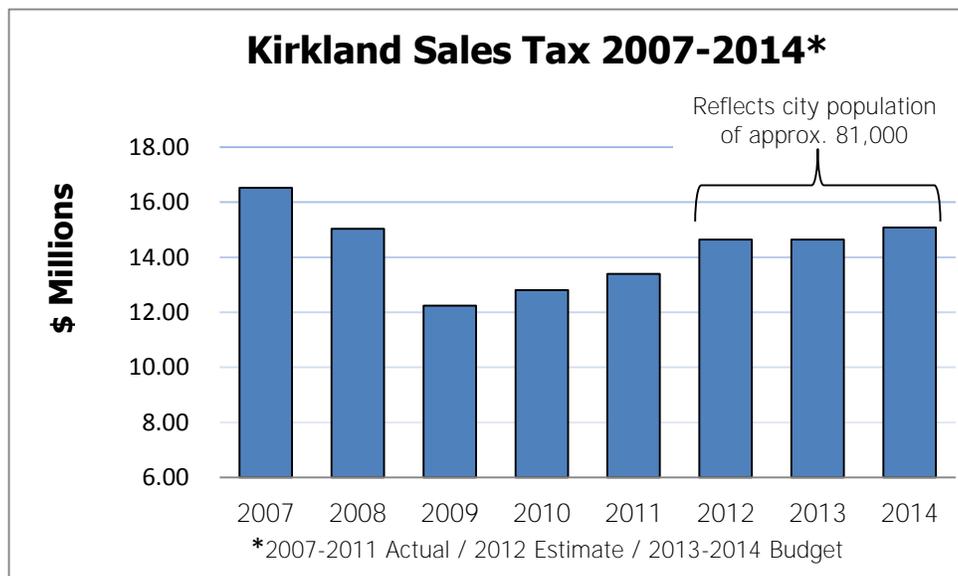
No increases in tax rates are reflected in the preliminary budget, except for the 1% optional increase in property tax and the voted levy lid lifts described below. Selected fee increases recommended by staff are highlighted later in this section. The budget also reflects proposals to extend the suspension of impact fees for changes in use and **to provide some level of relief from the City’s revenue generating regulatory license fee for new small businesses**, as discussed further below. Implementation would require action by the full City Council.

**Property tax** is currently the largest source of revenue for the operating budget and supports services in the General Fund, Street Operating Fund (117) and the Parks Maintenance Fund (125). A one percent increase in new construction is assumed along with a one percent optional increase in the levy, consistent with the assumptions used in the long-term forecasting model. Note that with the annexation, three City property tax rates apply to different areas of the City, with the pre-annexation City paying for existing **voted debt, those previously served by Fire District 41 paying a tax component toward the District's** remaining debt, and those previously served by Woodinville Fire and Rescue paying only the base rate.

For the Parks Maintenance Fund, property tax is the sole source of income which is legally restricted to new construction growth plus one percent. Historically, the growth in revenues has not been sufficient to offset the growth in costs, resulting in service level adjustments and/or some level of general fund subsidy. The maintenance of parks in the new neighborhoods is budgeted in this fund in recognition that the existing base levy paid throughout the City includes this component.

In addition, the preliminary budget assumes that the two ballot propositions on the November General Election ballot are successful. Passage of the measures would add \$0.204 per \$1,000 of assessed valuation to the property tax rate for street maintenance and pedestrian safety and \$0.16 per \$1,000 of assessed valuation for parks maintenance, restoration, and enhancement. If the levies pass, the street **levy revenues will be accounted for in the City's existing Street Operating Fund (117) and a new 2012 Parks Levy Fund (128)** will be created to account for the new parks operations and maintenance revenues. The capital projects funded with the Parks Levy are shown in the capital funds (310/320) in the preliminary budget; however, the final budget may change to reflect the revenues passing through Fund 128 for ease of reporting. Note that the Parks Levy includes funding to allow the Finn Hill Park District to cease operations, which would eliminate that component or portion of property tax in that area of the City. In the event that the levies do not pass, the assumed revenues and program costs would be removed in the final budget adopted by the Council.

**Sales tax** revenue has been volatile over the past few years, but appears to be stabilizing and shows signs of improvement. The following chart shows a comparison of sales tax revenue from the high point in 2007 through the budget projections for 2014. Note that the decrease in revenues from the 2007 peak of \$16 million to the 2010 trough of \$12 million represents a \$4 million dollar decline. The increase in 2012 and subsequent projections is due in part to the addition of revenues from the new neighborhoods.



The 2013 budgeted revenues reflect the City's one-year "lag" budget strategy, which sets 2013 sales tax revenues equal to expected 2012 revenues. For 2014, we are projecting a modest increase of 3% from 2013. While this is lower than the State's sales tax forecast that is projecting growth in the 4-5% range, the sustainable budget strategy would argue for caution in assuming such a significant turnaround during these uncertain economic times. At one point in time, the City employed a two-year lag strategy, which represents an even more conservative approach. Returning to the two-year lag would result in removing \$440,000 from the revenue assumptions for 2014. This strategy would be challenging given the changes in revenues during 2011-2012 related to annexation and might be best considered if revenues significantly stabilize and once the overall financial picture improves.

**Utility taxes** represent another large General Fund revenue source. Changes in budget estimates from one year to the next reflect anticipated changes in utility rates and potential variations in consumption. Revenue changes in this category vary by sector. In general, electric and gas revenues have been relatively stable to growing, while telecommunications revenues have been declining. Electric, gas, and water utility taxes are also significantly impacted by weather conditions. The telecommunications and cable sectors continue to be worth watching as the regulatory environment (and potentially taxing authority) changes to reflect current technology and consumer usage patterns respond to economic conditions.

**Business license fees** consist of a base fee of \$100 that is shown in the license and permit category and the revenue generating regulatory license fee of \$100 per full time equivalent employee (FTEs), which is shown in the tax category. The revenue for 2013 and 2014 assumes a 2% annual increase in FTEs over 2012 estimated revenues, which is consistent with recent experience. The recommendation of the Finance and Economic Development Committees **to provide some level of relief from the City's** revenue generating regulatory license fee for new small businesses (10 FTEs or less) for the first year after they open in Kirkland is also reflected in the preliminary budget, effective January 1, 2013. The one-year revenue impact of the change is assumed to be offset by year-end 2012 cash. If the full Council concurs with this recommendation, ordinances will be brought forward to implement this program and to extend the suspension of impact fees for changes in use through 2014.

**Development fee** revenues in the second half of 2012 have shown significant signs of improvement. The 2012 projections are expected to exceed the 2012 budget, despite the fact that the permits for redevelopment of Park Place did not occur as planned. At the end of 2005, the City established the Development Services reserve to recognize that development revenues associated with building and other activities are often collected in advance of the time that the work is conducted (for example, required inspections may occur in a subsequent budget period). In periods where revenues are reduced, the reserve has been used to help maintain staff to get the work completed and to help retain critical skills. The reserve has been used to backfill shortfalls in 2008 (\$400,000) and 2009 (\$425,000). The preliminary budget assumes that approximately \$1 million in revenues received in 2012 will be set aside for work to be done in 2013 and beyond. The current budget assumes that about \$600,000 of that amount will be expended in 2013-2014 as needed. The reserve has also been augmented with General Fund cash to fund the upcoming development fee and impact fee studies in the next biennium.

**Interest income** is expected to decline in the next biennium due to the continuation of historically low interest earnings rates. Interest earnings in the 2007-2008 biennium totaled \$9.4 million. Since that time, earnings have declined due to declining interest rates, with 2009-2010 earnings totaling \$4.6 million, and 2011-2012 earning projected at \$2.1 million. Given the Federal Reserve's recent announcement that they expect interest rates to remain at historic lows through 2015, the 2013-2014 budget assumes that interest rates will be between 0.50% and 0.42% for 2013-2014, which is still well above the rate earned in the State Investment Pool (currently 0.18%). Interest income is estimated at \$0.56 million in 2013 and \$0.43 million in 2014, for a total of \$0.99 million for the biennium.

Revenues from **user fees** were evaluated in developing the proposed budget. Consistent with adopted policies, the budget assumes that development and impact fees are increased with inflation. In addition, an inflation-related adjustment to the City's EMS transport fees was approved in October 2012. A new

right-of-way construction inspector position is funded through the extension of the right-of-way use fees through the inspection process of road cuts and repairs made by utility companies and new development. This change is part of the overall City effort to protect the road pavement condition index, which can be negatively impacted by inadequately restored road cuts, which are not currently inspected on a routine basis. **Further discussion of this topic is contained in an issue paper.**

**Real Estate Excise Tax (REET)** is generated by the sale of real property. During the economic downturn, the State Legislature provided for the use of REET funds for the operations and maintenance of facilities constructed with REET funds for a period of six years. The budget reflects using REET revenues to support some street and parks maintenance during the upcoming biennium.

### **THE KIRKLAND "PRICE OF GOVERNMENT"**

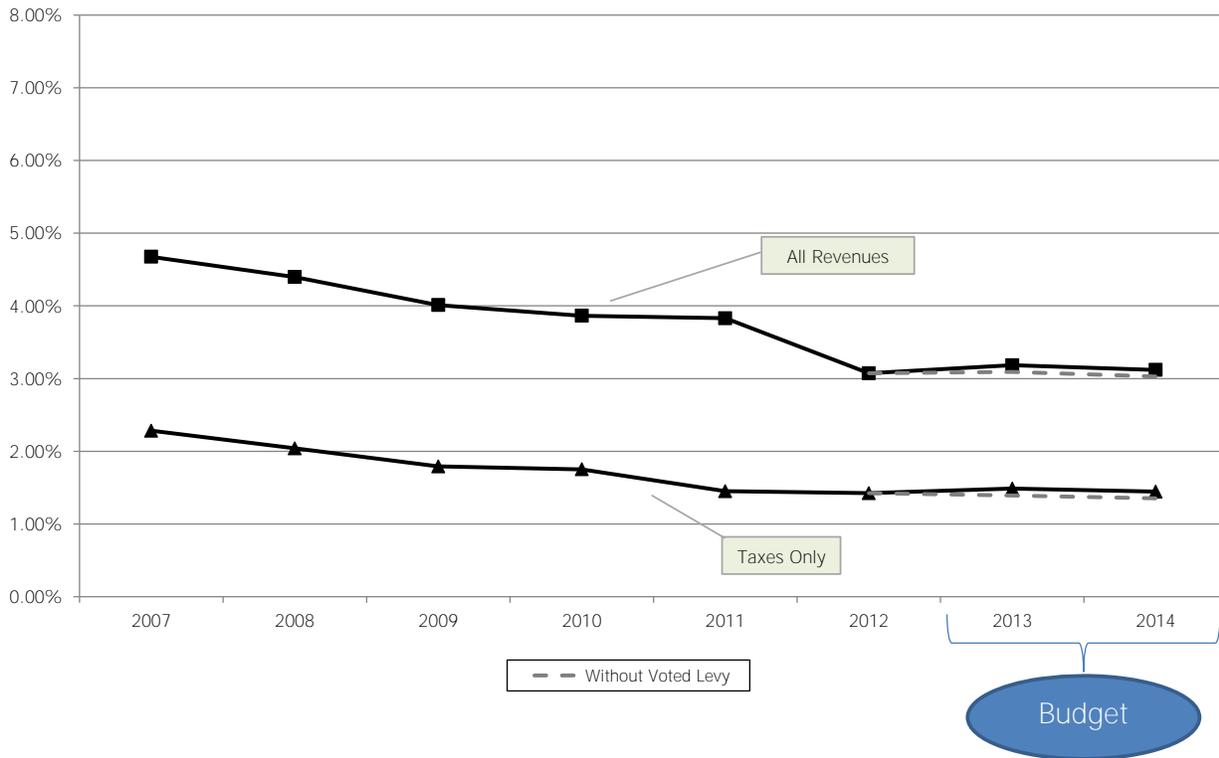
In evaluating these revenue assumptions, one question raised by taxpayers is **"how affordable is government"**? The **"Price of Government"** is a measure of this concept used by some jurisdictions as a comparison of the revenues from taxes and fees of the government to the aggregate personal income level **of the City's constituents**. In general terms, the calculation is used to help define a band in which residents are willing to pay for government services.

The graph that follows **shows Kirkland's Price of Government over the past 6 years** and the projection for the proposed budget. Over that period, total revenues as a percentage of personal income has slowly decreased from over 4% to approximately 3% in the proposed budget, including the proposed voted levies. The steeper decline in 2011 reflects that the tax and fee revenues that resulted from the annexation did not increase in proportion to the total personal income added.

To provide some context, since this is Kirkland's first time evaluating this measure, the City of Redmond has been tracking its Price of Government and provided the following observations.

*"The City of Redmond's total "price of government" has consistently been between 5% and 6%, which is typical for local governments. This approach also illustrates that there can be a deliberate choice about how a community pays for service from the city. If user fees become too large, taxes should be reduced to retain the total target price. Likewise if taxes become too high, there may be resistance by the community to further increases in user fees. This approach does not provide a tool for universal evaluation across cities (even similar cities) as to the "correct" price. Differences in service delivery approaches and expectations make cross city comparisons virtually impossible. The value of this approach is largely with respect to the city's own history."*

## The Price of Government City of Kirkland, Washington



### EXPENDITURE TRENDS

Salary and benefit costs comprise over 64% of the General Fund budget. **Salary cost** increases for two of the City's collective bargaining units, AFSCME and Teamsters, are set for the biennium at 2.5% in 2013 and 0% in 2014. The Police Guild contract is closed in 2013 but open in 2014; all other collective bargaining agreements are open for the biennium. Funds have been set aside in the Nondepartmental budget to be distributed for personnel increases on closed contracts and management & confidential employee (MAC) and in anticipated settlement of the open contracts. The City Manager recommends that the MAC increases be implemented consistent with the AFSCME and Teamsters contracts and the budget reflects that assumption.

**Benefit cost** increases have grown well in excess of inflation for a number of years. In 2011, the City transitioned to a self-insured medical program to gain more direct control over health benefit costs through proactive health promotion activities and to do so at an affordable price. The City experienced a one-time decrease in cost at the outset of the program, which allowed a separate rate stabilization reserve to be established for the Health Benefits Fund of \$1 million. In 2011, the City's experience resulted in an increase in "per employee per month" costs of 7%, below the former program's increase of 11%. However, in 2012, the program has experienced a higher than average claims pattern, which requires that an additional 13% be set aside toward potential claims liability. This experience is driven in part by a larger number of births to City employees than in prior years, which in turn reflects the hiring of many younger employees to serve the newly larger City. If claims return to a more expected level, the additional funds set aside could add to the rate stabilization reserve. However, if claims continue at an elevated level, some use of the rate stabilization reserve may be required. Now that the City has over 18 months of claims history, an Employee Health Benefits Committee will be convened to help with evaluating patterns and recommending program changes to help manage costs. **More information about this topic is contained in an issue paper.**

One of the objectives of this budget process was to ensure that the City provides efficient, cost effective services supported by predictable revenues. As described earlier, a number of actions were taken to address the projected shortfall and present a balanced budget for 2013-2014, consisting of recalibrations based on actual experience in the new neighborhoods, program reductions in lower priority areas, and efficiencies and process improvements within the base budget. **Specific reductions** are summarized as follows:

- Recalibrate new neighborhood public safety service level requirements based on actual experience, a reduction of \$1.9 million and 6.5 vacant FTEs. The Court and Police Department budgets were based on the assumption that the new neighborhoods would generate an additional 26,000 dispatched calls for service, which would generate a proportionate increase in court cases. In reality, the calls for service increased about 10,500. The following recalibrations are recommended as a result:
  - Reduce second Judicial position (1.0 FTE) and 2.5 FTE Judicial Support Associates and related costs at the Municipal Court (\$723,035)
  - Reconcile projected NORCOM expenses with actual call volumes (\$382,000)
  - Eliminate the additional Narcotics Task Force detective (1.0 FTE), K-9 Officer (1.0 FTE), and Administrative Support Associate (1.0 FTE) (\$812,257)
- Reprioritize service levels in selected areas, with a focus on maintaining as much direct service to the public as possible, resulting in a reduction of \$1.6 million and 7.1 FTEs (5.6 vacant positions and 1.5 filled positions):
  - Reduce additional vacant Neighborhood Outreach Coordinator from 0.5 FTE to 0.1 FTE (0.4 FTE reduction) - \$95,045
  - Reprioritize Economic Development resources to higher priority tasks by changing the Kirkland First model to function as a listserv and discontinue the quarterly dashboard report for the Business Roundtable (\$32,000)
  - Eliminate the Parks Business Services Manager position (1.0 FTE) and redistribute responsibilities (\$257,421)
  - Eliminate vacant 0.5 FTE Urban Forester in Planning and Community Development (\$112,805)
  - Eliminate 0.3 FTE Senior Planner (\$72,888)
  - Sunset the Parking Advisory Board and eliminate the 0.5 FTE Parking Coordinator position (\$126,043)
  - Reduce 2.0 FTE unfilled Police ProAct unit positions on hold from the 2011-2012 budget (\$516,266)
  - Eliminate Fire Wildland Response specialized training (\$23,142)
  - Eliminate the Field Arborist (1.0 FTE) in Parks Maintenance and fund one-time with REET flexibility funds (\$190,040)
  - Eliminate 0.9 FTE Grounds Technician position and the 0.5 FTE Locator positions in the Street Fund (\$215,722) – note that a Laborer position is recommended to be added one-time using REET flexibility revenues
- Identify efficiencies, process improvements, and other refinements within the existing budget, resulting in a savings of \$1.0 million:
  - Rearrange workload and reclassifying positions to lower classifications as circumstances allow, resulting in savings in Finance and Administration of \$50,189 and \$51,503 in Human Resources,
  - Line item expense reductions to reflect efficiencies, changes in business practices, or line item reconciliation:
    - City Council - \$32,610

- Public Works - \$65,015
- Finance and Administration - \$28,816
- Police - \$83,187
- Streets - \$182,250
- Information Technology - \$169,636
- Facilities - \$237,024
- Ensure the Cemetery fund administrative costs are charged to that fund - \$39,120,
- Additional Planning fee revenues due to the assumed increase in fees of 2.7% based on CPI - \$35,995.

As part of the budget process, the City Manager requested that each General Fund department identify ongoing reductions or new ongoing revenues equivalent to 2% and 5% of their normalized budget (excludes internal service charges). The internal service departments and other operating funds, excluding utilities, identified reductions as well. The reductions recommended by the City Manager were taken from this list to present the City Council with a sustainable budget. The recommended reductions total approximately 3.2% of the amount identified on the lists. The full lists are presented in the budget document, to provide a tool for evaluating options and trade-offs based on the Council's deliberations. The City Manager will continue to evaluate each position that becomes vacant to ensure that it is necessary to provide efficient, cost effective services.

Departments also developed 2% and 5% additions (or service packages), so that the City Manager and the Council could evaluate the best use of resources to achieve the City's goals in the short and long-term. The City Manager's recommendations regarding these service packages are summarized in the following sections, including a limited number of one-time funded service packages. The full list and recommendations are summarized later in the budget document.

## COMMUNITY AND COUNCIL PRIORITIES

One of the main tools used to assess the **community's priorities** is through the Citizen Survey that the City conducts every two years. The results of the most recent survey (January 2012) were presented to the City Council at the March retreat. The overall results indicated that 85% of those surveyed rated Kirkland as a "very good" or "excellent" place to live. An additional 12% rated the City as "satisfactory". One of the key graphics from that survey is the "Quadrant" analysis, which provides an important basis for prioritizing the proposed budget recommendations. The survey report describes the Quadrant analysis as follows:

*"Plotting the importance and performance on a quadrant chart allows items to be categorized in the following ways:*

**1) High Importance & Performance (top-right quadrant)** – *These are the services that residents view as very important and that the City is doing best with. Items in this category should be considered Kirkland's most valued strengths.*

**2) High Importance, Low Performance (top-left quadrant)** – *Services falling into this category should be viewed as opportunities for improvement. These are the items that residents feel are very important but the City could be doing better with. Improving the services in this quadrant will have the greatest effect in improving citizens' overall favorability of the City.*

**3) Low Importance & Performance (bottom-left quadrant)** – *Services in this category are low priority items for residents and so lower performance here is not a critical issue for them. Some of these items may be raised by a vocal minority of residents but, for the most part, focusing too much on them will have a minimal impact on improving overall attitudes about the City.*

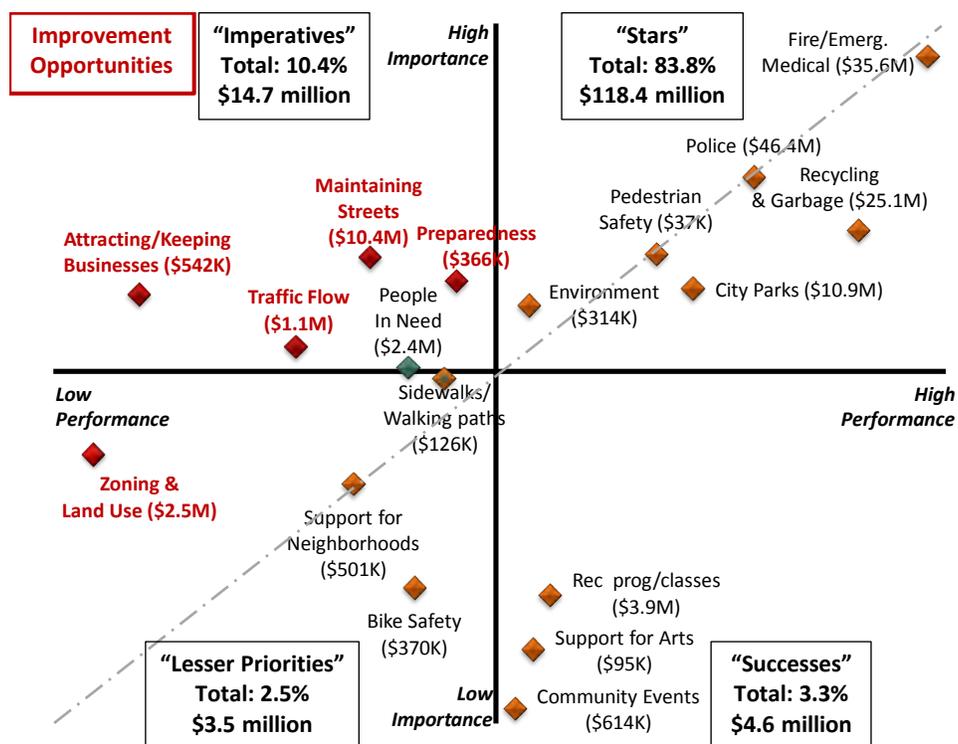
**4) Low Importance, High Performance (bottom-right quadrant)** – This quadrant represents services that citizens think the City is doing well with but are believed to be less important. While items in this quadrant can be considered successes with certain niche groups, for most citizens, they are not major drivers of the City’s favorability.

The diagonal line overlaying the chart represents where the ideal performance should be relative to the level of importance. Services falling on or near this line are performing optimally compared to how citizens value them. Items significantly left of the line may be potentially valuable improvement opportunities (even if they appear in quadrants 1 or 3) while items far right of the line may result in wasted resources if given too much focus.

This view shows that, overall, many items are exactly where they should be, with appropriate performance levels for their importance. Further, it once again shows that the City is doing well with most of the higher importance items – fire/emergency, police, pedestrian safety, recycling/garbage. **However, this analysis again highlights the critical areas for improvement opportunities -- attracting/keeping businesses, maintaining streets, and managing traffic flow. Zoning and land use is also significantly underperforming but it is less important overall to residents than the other issues.**

These four quadrants can also be referred to as “Stars”, “Imperatives”, “Lesser Priorities”, and “Successes”. The Quadrant chart from the 2012 survey is shown below, augmented by the estimated expenditures on the surveyed services in the 2011-2012 budget.

## 2012 Survey with 2011-12 Budget



This Quadrant chart provided key guidance on the areas that were opportunities for improvement identified by the community. Many of the recommendations that are summarized below focus directly on those priorities, for example:

| <b>High Importance/Low Performance Quadrant</b> |  |
|---|--|
| Attracting and Keeping Businesses               | <ul style="list-style-type: none"> <li>• Totem Lake Action Plan items, including further capital investments</li> <li>• Continued review of the tax and regulatory environment to remove barriers to new businesses, for example, the continued suspension of impact fee for change of use and waiver of the RGRL in the first year for small start-up businesses, and zoning changes</li> <li>• Continued investment in the economic development program and in capital projects in <b>the City's business districts</b></li> </ul> |
| Managing Traffic Flow                           | <ul style="list-style-type: none"> <li>• <b>Adding resources to focus on implementation of the City's</b> Intelligent Transportation System (ITS) to help improve traffic flow</li> <li>• Additional investments in neighborhood traffic control and pedestrian safety through the proposed Proposition 1 Street Levy</li> </ul>   |
| Human Services/People in Need                   | <ul style="list-style-type: none"> <li>• No reduction to Human Services funding levels</li> <li>• Increased ARCH funding</li> </ul>  |
| Emergency Preparedness                          | <ul style="list-style-type: none"> <li>• Funding of an on-going Emergency Preparedness Manager position</li> </ul>   |
| Street Maintenance                              | <ul style="list-style-type: none"> <li>• Additional investments in street maintenance through the proposed Proposition 1 Street Levy</li> <li>• Addition of the ROW inspector position</li> <li>• Continuation of REET funded maintenance activities, including median upkeep</li> </ul>   |
| <b>Low Importance/Low Performance Quadrant</b>  |  |
| Zoning and Land Use                             | <ul style="list-style-type: none"> <li>• Growth Management GMA/EIS Comprehensive Plan update</li> </ul>  |

Another important element of the budget process has been **educating the public and providing opportunities for public feedback**. Earlier in 2012, the City offered a five part Civics Academy to provide information and an interactive forum for participants to ask questions and provide input. In addition, the City is in the process of rolling out a series of videos on City services entitled "KirklandWorks". **The most recent video addresses Financial Stability, reflecting how the community's values are reflected in the City's financial management. A new feature on the budget webpage, Budget Bylines, has been introduced to provide easy-to-read summaries of budget-related information and deliberations in a newspaper article style after each Council meeting where the budget is discussed. The City Update newsletter continues to be a resource for addressing frequently asked questions and provide educational information. Public Hearings provide a formal time for the public to provide the City Council with input on the budget. A series of hearings are scheduled, with the first already completed in September and two further opportunities at the November City Council meetings.**

## KEY RECOMMENDATIONS BY GOAL AREA

The City Manager's recommendations were crafted to address the community and City Council priorities within the context of the City Council goals. The funded service packages, key policy recommendations, and major capital investments are presented within the goal area they primarily support, although many of the recommendations support multiple goals.



### NEIGHBORHOODS

*The citizens of Kirkland experience a high quality of life in their neighborhoods.*

Goal: Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

- Ongoing funding for Neighborhood Traffic Control program through the Proposition 1 Streets Levy (if passed) - \$300,000
- Filling the additional 0.5 FTE CIP outreach position to enhance communication about projects
- Updating Growth Management Act (GMA) Comprehensive Plan and Environmental Impact Statement (EIS), \$326,000, which includes neighborhood planning
- Establishing opportunity funds for improvements in the new neighborhoods for sidewalks and pedestrian safety



### PUBLIC SAFETY

*Ensure that all those who live, work and play in Kirkland are safe.*

Goal: Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.

- Completing the Public Safety Building CIP project (\$27.4 million in 2013-2014)
- Commencing operation of the Public Safety Building (One-time and Ongoing)
  - Jail Operations, 3.00 FTE, \$787,102
  - Public Safety Building operations and maintenance (O&M), 1.0 FTE, \$719,583
  - Help Desk Staffing for the Public Safety Building and Network Support, 0.20 FTE, \$51,349
  - **See issue paper for further discussion of the on-going costs for full year operations commencing in 2015**
- Police Strategic Plan, \$100,000
- Establish Police equipment sinking fund, \$250,000 one-time and \$250,000 ongoing
- Municipal Court Security, \$86,076
- Fire Strategic Plan implementation actions:
  - Finn Hill Fire Station Staffing (50% of 12-hour aid car coverage), \$649,130 one-time *[This funding is an opportunity fund to create an initial partnership with Northshore Fire District. The staffing is not likely to be financially sustainable beyond 2014 without a strong economic recovery or some sort of voter approved revenue.]*
  - Policy & Procedure Manual, \$17,000 one-time
  - City Emergency Manager, 1.0 FTE, \$322,814 - Ongoing
  - Senior Financial Analyst to help meet budgeting, financial analysis, and administrative needs in the Fire & Building Department, \$235,781 - One-time
  - Administrative Assistant Reclassification to Administrative Supervisor to help to meet the administrative and supervisory needs of the Fire & Building Department, \$12,089 - Ongoing
- Fire Records Specialist, 0.25 FTE one-time in 2013 to support the EMS transport fee program, \$24,716
- Consolidated Fire Station CIP Project (\$3.9 million in 2013-2014)
- Fire equipment CIP projects (\$431,200 on 2013-2014)
- Establish Fire equipment sinking fund, \$750,000 one-time and \$750,000 ongoing
- Increase EMS Transport Fee with inflation



*Kirkland is a diverse and inclusive community that respects and welcomes everyone and is concerned for the welfare of all.*

Goal: To support a regional coordinated system of human services designed to meet the special basic needs of our community and remove barriers to opportunity.

- Maintained on-going funding levels for human service agencies at \$1.3 million
- Continued staffing for participation in regional human services initiatives



**BALANCED  
TRANSPORTATION**

*Kirkland values an integrated multi-modal system of transportation choices.*

Goal: To reduce reliance on single occupancy vehicles and improve connectivity and multimodal mobility in Kirkland in ways that maintain and enhance travel times, safety, health and transportation choices.

- Non-motorized Transportation CIP projects totaling \$5.2 million for 2013-2014, including \$3.9 million for the Cross Kirkland Corridor interim trail and Master Plan, sidewalks, and pedestrian safety
- Transportation Engineer, 0.85 FTE, \$186,620 – Funded ongoing from permit revenues and expenditure offsets
- Transportation Engineer - Traffic Signal Operations, 0.75 FTE, \$178,074 to provide ongoing resources to maximize the investment in intelligent transportation system (ITS) technology to improve traffic flow
- Intelligent Transportation System (ITS) Software Support, \$50,000 – Ongoing cost of ITS system,
- Transportation CIP projects totaling \$1.2 million in 2013-2014
- Ongoing funding for Pedestrian Safety improvements through the Proposition 1 Streets Levy (if passed) - \$300,000



**PARKS, OPEN SPACES AND  
RECREATIONAL SERVICES**

*Kirkland values an exceptional park, natural areas and recreation system that provides a wide variety of opportunities aimed at promoting the community's health and enjoyment.*

Goal: To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well being of the community.

- Parks CIP projects totaling \$3.6 million in 2013-2014, including \$2 million from the Proposition 2 Parks Levy (if passed)
- Boat Launch Pay Station, \$19,500 (\$3,000 – Ongoing)
- Parks Operations and Maintenance (REET Funded) - \$299,928
  - Add a Senior Groundsperson position one-time funded with REET
  - Open restrooms at neighborhood parks
  - Provide seasonal labor to care for the City Cemetery and parks amenities
- Kirkland Performance Center one-time funding, \$68,000
- Ongoing Parks Operations & Maintenance service levels funded from the Proposition 2 Parks Levy (if passed)
  - Restore Maintenance and Operations, 2.5 FTE, \$1,111,575
  - Lifeguards, \$203,182
  - Forest Restoration, 3.0 FTE, \$712,484
  - OO Denny Park Maintenance, 1.0 FTE, \$261,181
  - Edith Moulton Park Renovation, \$5,660 (O&M only)
  - City-School Partnership Projects, \$5,960 (O&M only)
  - Cross Kirkland Corridor Trail Maintenance, 0.75 FTE, \$197,669



*The City's housing stock meets the needs of a diverse community by providing a wide range of types, styles, size and affordability.*

Goal: To ensure the construction and preservation of housing stock that meets a diverse range of incomes and needs.

- Increasing ARCH Housing Trust Fund contribution from \$432,000 to \$630,000
- Continued support of affordable housing projects in the City, specifically the Transit-Oriented Development at the South Kirkland Park & Ride



*Citizens of Kirkland enjoy high quality services that meet the community's priorities.*

Goal: Provide a sustainable level of core services that are funded from predictable revenue.

- No basic operations funded by one-time revenues
- Incorporating a component into the on-going budget for replenishment based on 1% of the General Fund budget
- Restoring the revenue stabilization reserve to 100% of target. The table below summarizes the recommended replenishments and target status:

| 2013-2014 General Purpose Reserves with Targets |                                     |                               |  |                               |                     |                                    |
|---|-------------------------------------|-------------------------------|--|-------------------------------|---------------------|------------------------------------|
| Reserve   | Preliminary 2013-2014 Budget Target | 2012 Estimated Ending Balance | Planned Additions to/(Use of) Reserves | 2014 Estimated Ending Balance | (Under)/Over Target | 2014 Ending Balance as % of Target |
| Contingency                                     | 4,401,617                           | 2,201,870                     | 224,555                                | 2,426,425                     | (1,975,192)         | 55.1%                              |
| General Capital Contingency                     | 5,318,355                           | 3,919,463                     | -                                      | 3,919,463                     | (1,398,892)         | 73.7%                              |
| General Operating Reserve (Rainy Day Reserve)   | 4,333,295                           | 2,806,513                     | -                                      | 2,806,513                     | (1,526,782)         | 64.8%                              |
| Revenue Stabilization Reserve                   | 2,468,068                           | 1,231,431                     | 1,236,637                              | 2,468,068                     | -                   | 100.0%                             |
| Council Special Projects                        | 250,000                             | 189,534                       | 60,466                                 | 250,000                       | -                   | 100.0%                             |
| Building and Property Reserve                   | 600,000                             | 2,137,598                     | (1,566,019)                            | 571,579                       | (28,421)            | 95.3%                              |
| <b>TOTAL</b>                                    | <b>17,371,335</b>                   | <b>12,486,409</b>             | <b>(44,361)</b>                        | <b>12,442,048</b>             | <b>(4,929,287)</b>  | <b>71.6%</b>                       |

*Note: Excluding the planned use of the Building and Property Reserve toward the Public Safety Building project would result in the 2014 Ending Balance for General Purpose Reserves being at 80.6% of Target.*

- Establishing sinking funds for Public Safety and Information Technology equipment (\$1.5 million one-time and \$950,000 per year on-going), plus setting aside funding for major IT systems replacement (\$500,000 one-time)
- Pursuing new on-going revenue sources to stabilize support of on-going programs, through placement of the levy propositions on the November 2012 ballot for Streets and Parks
- Investing in development of a Performance Management System, \$50,000



*We are committed to the protection of the natural environment through an integrated natural resource management system.*

Goal: To protect and enhance our natural environment for current residents and future generations.

- Establish adequate rates to support the needs of the Sewer, Surface Water, and Solid Waste utilities, resulting in:
  - 6.82% rate increase in 2013 and no increase in 2014 for Sewer
  - No rate increase for Surface Water
  - 12.89% rate increase for 2013 and no increase in 2014 for Solid Waste
- Financing Sewer utility CIP projects totaling \$5.0 million for 2013-2014
- Financing Surface Water utility CIP projects totaling \$7.1 million for 2013-2014, including a \$5.7 million investment in Totem Lake

- Rain Garden Program (offset with hourly reductions), \$60,000 - Ongoing
- Maintenance Center Office Specialist (offset with reduction), 0.50 FTE, \$88,538 - Ongoing
- Surface Water Equipment, \$79,966 (\$18,880 – Ongoing)
- Ongoing funding for the Green Kirkland program through the Proposition 2 Parks Levy (if passed)



*Kirkland has a diverse, business-friendly economy that supports the community's needs.*

Goal: To attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.

- Continued implementation of the Totem Lake Action Plan, including:
  - Market Study of Totem Lake – Comprehensive Plan Update, \$25,000
  - Totem Lake Surface Water capital projects (\$5.2 million in 2013-2014)
  - An additional \$2.9 million in 2013-2014 toward the 120th Avenue road improvement CIP project
- Ongoing Cultural Arts Commission support - \$30,000
- As part of the tax and regulatory review to remove barriers to new businesses:
  - Continued suspension of impact fee for change of use
  - Waiver of the per FTE revenue generating regulatory license fee for new small businesses (less than 10 FTEs) during their first year of operation in Kirkland
- Continued 85<sup>th</sup> Street Corridor capital investments (\$2.4 million in 2013-2014)
- Setting funds aside to conduct development fee and impact fee studies to reflect the results of the Development Services Organizational Study and the Comprehensive Plan update
- Continued funding of programs with business and development interests, including the Kirkland Business Roundtable and the business retention program
- Lodging tax funding for special events, \$50,000 for 2013



*Kirkland has a well-maintained and sustainable infrastructure that meets the functional needs of the community.*

Goal: To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

- Establishing adequate rates to support the needs of the Water utility, resulting in a 3.37% rate increase in 2013 and 4.87% increase in 2014
- Financing Water utility CIP projects totaling \$5.5 million for 2013-2014
- Financing Street CIP projects totaling \$14.6 million for 2013-2014, including \$6 million from the proposed Roads Levy
- Right-of-way Construction Inspector, 1.0 FTE, \$236,566 – Ongoing from ROW permit fees
- Temporary Laborer (REET Funded), \$200,116 to continue maintenance activities
- Median Maintenance (REET Funded), \$120,000
- Ongoing funding for increased Street Overlay through the Proposition 1 Streets Levy (if passed) - \$5.4 million (includes 1.0 FTE CIP Engineer to manage programs)

In addition to recommendations directly related to the Goal areas, the following service packages are recommended:

*Council/City Manager*

- State Legislative Advocacy Services, \$96,000 - One-time
- Council Training, Travel & Subsistence, \$26,610 - Ongoing
- Administrative Transition **City Manager's Office**, \$8,684 - One-time
- Financing initial activities for the City Hall Renovation project totaling \$2.1 million for 2013-2014

*Information Technology*

- Temporary Service Desk Analyst, \$144,441 - One-time

- Copier & Plotter Replacements, \$131,000 - One-time
- Senior Applications Analyst, \$267,033 - One-time
- IT Network Security staff, \$265,598 - One-time
- Financing Information Technology CIP projects totaling \$2.3 million for 2013-2014
- Establish IT equipment sinking fund, \$500,000 one-time and \$900,000 ongoing

## **PRELIMINARY WORK PLAN**

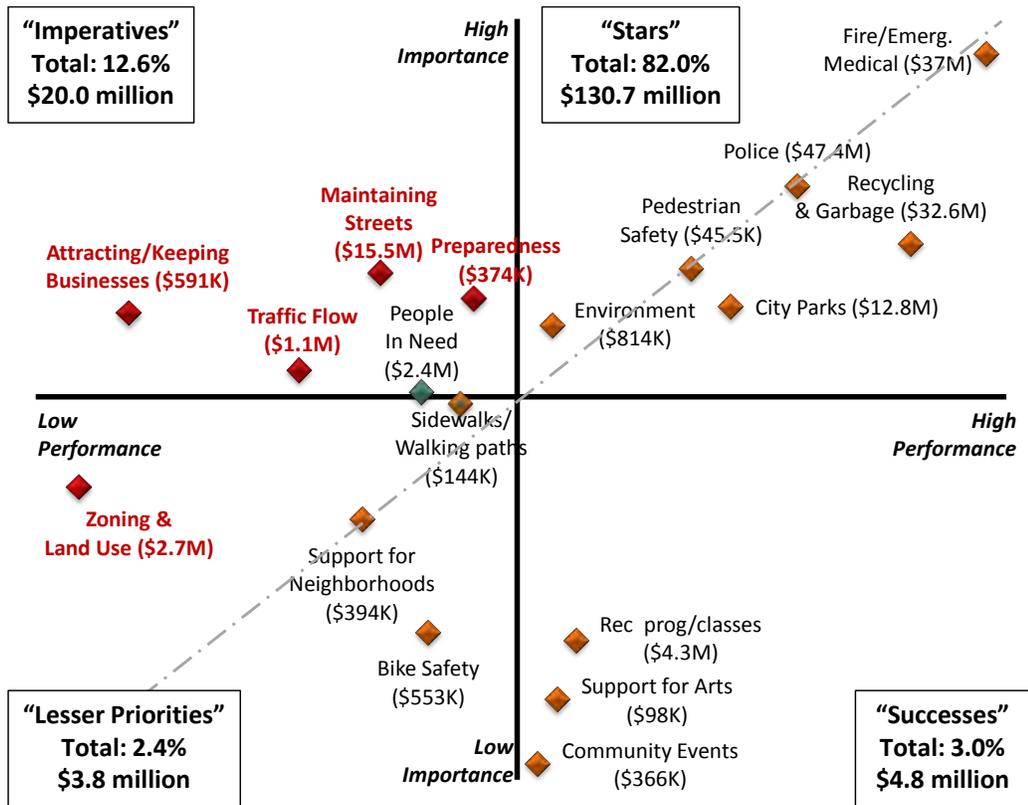
The recommendations suggest the following draft City work plan for the 2013-2014 biennium:

- Complete Master Plan and interim trail on Cross Kirkland Corridor (Council Goals: Balanced Transportation, Parks and Recreation, Economic Development, Neighborhoods).
- Complete construction of the Public Safety Building and bring to full operating capacity (Council Goals: Public Safety).
- Continue implementation of the Fire Strategic Plan recommendations, particularly those related to opportunities for regional cooperation (Council Goals: Public Safety).
- Update City planning documents to incorporate the new neighborhoods and set a course for the new, larger City (Council Goals: Neighborhoods, Balanced Transportation, Parks and Recreation, Diverse Housing, Economic Development, Dependable Infrastructure).
- Develop a City-wide multimodal Transportation Master Plan that defines and prioritizes investments in intelligent transportation systems (ITS), roads, sidewalks, and bicycle paths and redefines traffic concurrency (Council Goals: Balanced Transportation, Infrastructure, Economic Development, Neighborhoods).
- Begin implementation of the results of the Development Services Organizational study and evaluate the impact on development fees (Council Goals: Economic Development).
- Continue partnership initiatives with employees to achieve sustainability of wages and benefits (Council Goals: Financial Stability).
- Continue emphasis on Totem Lake revitalization through the Totem Lake Action Plan (Council Goals: Economic Development, Financial Stability).

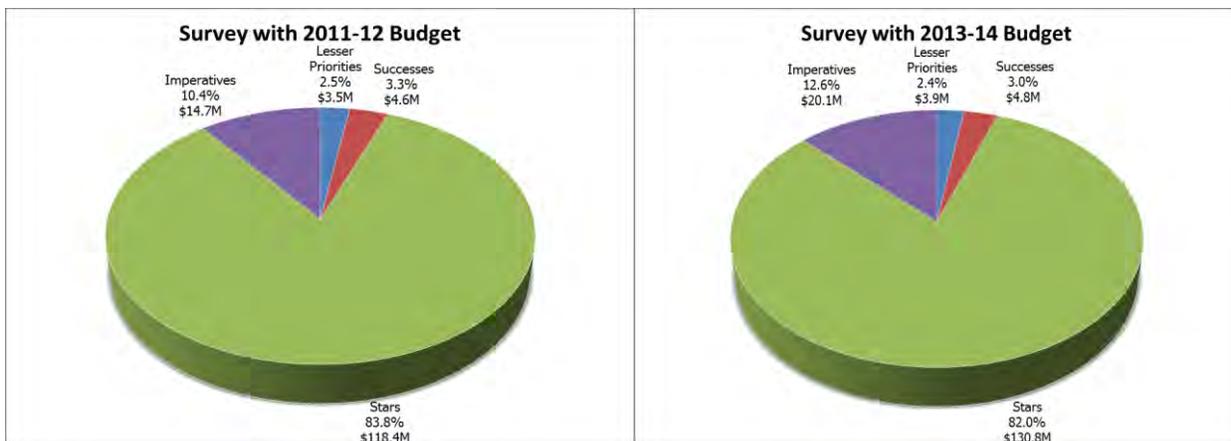
## **CONCLUSION**

The proposed budget is focused on the City Council goals and community priorities. The recommended decisions result in proposed 2013-2014 investments in the services on the "Quadrant" analysis as summarized below.

# 2012 Survey with 2013-14 Budget



The pie charts on the below show the investments in each quadrant in the 2011-2012 budget versus the proposed 2013-2014 budget. The comparison shows that we have made progress in addressing the “imperatives” in the upper left quadrant, with the share of funding for the surveyed items in this quadrant increasing from 10.4% to 12.6%, or \$14.7 million to \$20.1 million. Although the percentage invested in “stars” decreased from 83.8% to 82.0%, the total dollars invested increased from \$118.4 million to \$130.8 million.



The budget reflects the service levels that will be provided if Proposition 1 – Levy for City Street Maintenance and Pedestrian Safety and Proposition 2 – Levy for City Parks Maintenance, Restoration, and Enhancement pass in the November 6, 2012 election. If those levy lid lifts are unsuccessful, the final budget will be adjusted to remove those revenues and expenditures.

Balancing the 2013-2014 budget required recalibrating the service needs and revenues from the new **neighborhoods and prioritizing services to best meet the community's needs within financial constraints.** In addition, continuing to replenish reserves that were used during the "Great Recession" and establishing sinking funds for periodic replacement of public safety and IT equipment are measures that help place the City on a more sustainable budget footing. The reductions and service packages identified during the process provide a basis for contingency planning if results are better or worse than projected.

As always, we expect that we will be discussing the budget with the City Council frequently during the biennium and making adjustments as conditions warrant. At a minimum, we expect to provide an update at the Council Retreat in March, with the mid-year budget report in June, and with the mid-biennium budget update in November 2013.

The development of the preliminary budget requires an enormous commitment by the City staff, especially the Financial Planning staff. We have every reason to be proud of the work done day in and day out by all City staff. With the support of the City Council, it is their efforts that make the City work for our citizens and make Kirkland an exceptional place to live.

Respectfully Submitted,



Kurt Triplett  
City Manager



Tracey Dunlap  
Director of Finance and Administration

**POSTSCRIPT**

Between October and December 2012, the City Council held a series of study sessions and public hearings to review the 2013-2014 Preliminary Budget proposed by the City Manager. The City Council adopted the 2013-2014 Final Budget on December 11, 2012. Overall, the 2013-2014 Final Budget totals \$543.71 million, which represents a 13.2 percent increase compared to the 2011-2012 Amended Budget. The 2013-2014 Final Budget is summarized in the following table by fund type:

| <b>Fund Type</b>          | <b>2011-12<br/>Amended Budget</b> | <b>2013-14<br/>Final Budget</b> | <b>% Change</b> |
|---------------------------|-----------------------------------|---------------------------------|-----------------|
| <b>GENERAL GOVERNMENT</b> |                                   |                                 |                 |
| General Fund              | 161,361,264                       | 171,626,838                     | 6.4%            |
| Other Operating           | 18,604,602                        | 29,740,972                      | 59.9%           |
| Internal Service Funds    | 57,122,240                        | 68,541,621                      | 20.0%           |
| Non-Operating Funds       | 117,935,647                       | 123,593,196                     | 4.8%            |
| <b>UTILITIES</b>          |                                   |                                 |                 |
| Water/Sewer               | 66,961,952                        | 77,811,900                      | 16.2%           |
| Surface Water             | 33,193,878                        | 39,759,660                      | 19.8%           |
| Solid Waste               | 25,102,501                        | 32,634,724                      | 30.0%           |
| <b>TOTAL BUDGET</b>       | <b>480,282,084</b>                | <b>543,708,911</b>              | <b>13.2%</b>    |

The City Council directed the following changes to the preliminary 2013-2014 Budget at the meetings on November 7 and November 20:

- Funding Human Services at the Option #2 level, the Time Bank, and CERT classes on a one-time basis in 2013-2014. The one-time needs identified amount to \$50,814 per year, funded by the use of Council Contingency along with reducing the proposed level of funding for ARCH.
- One-time sales tax revenue resulting from receipts in excess of budgeted levels in October 2012 to be used to replenish reserves as part of the budget adjustment during the first quarter of 2013.

In addition to the Council-directed adjustments to the General Fund discussed above, the Final Budget includes the following adjustments:

- **General Fund** – A series of housekeeping adjustments resulted in a net reduction of \$269,068.
- **Street Operating** – Reflecting the revised revenue estimate from the passage of Proposition 1, a reduction in budget of \$127,254.
- **Park Levy** – Receipting all revenues from the passage of Proposition 2 in the Park Levy Fund and then transferring it to the Capital Improvement Funds to provide a clear segregation of the levy funds for accountability purposes increases the budget by \$2.26 million. This results in the revenues appearing in both the levy fund and the Capital fund.
- **Equipment Rental** – Recognizing a transfer in to fund the purchase of a vehicle as approved in a service package, an increase in appropriation of \$31,000.
- **Excise Tax Capital Improvement** – Recognizing revised revenue estimates, repayment of the interfund loan to purchase the Cross Kirkland Corridor (CKC) in 2012

and the funding of the NE 120<sup>th</sup> Roadway Extension project (ST 0057) reduces the beginning balance of this fund. The total change is a reduction of \$2.78 million.

- **General Capital Projects** – Recognizing the CIP changes as discussed at the November 20<sup>th</sup> Council meeting and the adjustments to the Park Levy (Proposition 2) funded project as discussed in the 2013-2018 CIP adoption memo – net addition of \$80,329 in 2013-2014.
- **Transportation Capital Projects** – Recognizing the CIP changes as discussed at the November 20<sup>th</sup> Council meeting and the adjustments to the Street Levy (Proposition 1) funded project (Street Maintenance and Pedestrian Safety – ST 0006 003) – net addition of \$4.3 million in 2013-2014.
- Reducing interest revenue in 2013-2014 from early repayment of the interfund loan to purchase the CKC:
  - **Utility Capital Projects** – Reduce budget by \$27,743
  - **Surface Water Capital Projects** – Reduce budget by \$27,328
- **Surface Water Management** – Reducing the budget by \$109,000 because the anticipated grant from the Department of Ecology is already included in the 2011-2012 budget.

The table below summarizes the changes from the Preliminary Budget, which total \$3.35 million:

|  | <b>2013-2014<br/>Preliminary<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Final Budget</b> |
|--|---|--------------------|-----------------------------------|
| <b>General Fund</b>  | 171,895,906                                 | (269,068)          | 171,626,838                       |
| <b>Other Funds:</b>  |   |                    |                                   |
| <b>Street Operating</b> - Reduction in projected levy revenues   | 20,294,540                                  | (127,254)          | 20,167,286                        |
| <b>Park Levy</b> - Levy funds going through operating fund then transferred to CIP   | 2,747,711                                   | 2,258,366          | 5,006,077                         |
| <b>Equipment Rental</b> - Operating transfer in for utility vehicle in approved service package  | 19,059,357                                  | 31,000             | 19,090,357                        |
| <b>Excise Tax Capital Improvement</b> - Revised revenue estimates, early repayment of loan and change in the timing of ST 0057 funding | 15,375,429                                  | (2,778,254)        | 12,597,175                        |
| <b>General Capital Projects</b> - Revised Capital Improvement Program  | 54,679,019                                  | 80,329             | 54,759,348                        |
| <b>Transportation Capital Projects</b> - Revised Capital Improvement Program   | 35,099,887                                  | 4,316,496          | 39,416,383                        |
| <b>Utility Capital Projects</b> - Remove 2013-14 interest due to loan payback in 2012  | 22,442,804                                  | (27,743)           | 22,415,061                        |
| <b>Surface Water Management</b> - Remove Department of Ecology Grant   | 21,553,357                                  | (109,000)          | 21,444,357                        |
| <b>Surface Water Capital Projects</b> - Remove 2013-14 interest due to loan payback in 2012  | 18,342,631                                  | (27,328)           | 18,315,303                        |
| All other funds with no changes from 2013-14 Preliminary Budget  | 158,870,726                                 | -                  | 158,870,726                       |
| <b>Total</b>   | <b>540,361,367</b>                          | <b>3,347,544</b>   | <b>543,708,911</b>                |

One additional action was approved with the Final Budget:

- **Converting ongoing hourly wages to FTE** – Authorize addition of 0.35 FTE in the City Manager’s Office using existing on-call staff funding to support LTAC (0.06 FTE) and economic development (0.29 FTE). This change has no net budget impact.

In addition to adoption of the Final 2013-2014 Budget by ordinance, Council approved the following actions to implement the budget decisions on December 11, 2012:

- Resolutions suspending the reserve replenishment requirements to recognize special conditions and adopting the updated fiscal policies,
- An ordinance to extend the suspension of impact fees for change of use, and
- An ordinance exempting businesses located within the city limits with 10 or fewer FTEs from the revenue generating regulatory license fees for the first year of business operation.



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**City of Kirkland  
2013-2014 Budget  
Summary of Expenditure Reductions & Revenue Enhancements by Department**

| Department                              | Reduction Basis <sup>1</sup> | Recommended Expenditure Reductions |             | Recommended Revenue Enhancements |             | Total Recommended Expenditure Reductions & Revenue Enhancements |             | FTEs          |
|---|------------------------------|------------------------------------|-------------|----------------------------------|-------------|---|-------------|---------------|
|   |                              | Dollars                            | %           | Dollars                          | %           | Dollars   | %           |               |
| <b>General Fund</b>                     |                              |                                    |             |                                  |             |   |             |               |
| City Council                            | 602,888                      | 32,610                             | 5.4%        | -                                | 0.0%        | 32,610  | 5.4%        | -             |
| City Manager                            | 3,019,938                    | 127,045                            | 4.2%        | -                                | 0.0%        | 127,045   | 4.2%        | (0.4)         |
| Human Resources                         | 2,258,864                    | 51,503                             | 2.3%        | -                                | 0.0%        | 51,503  | 2.3%        | -             |
| City Attorney                           | 2,571,806                    | 0                                  | 0.0%        | -                                | 0.0%        | -   | 0.0%        | -             |
| Municipal Court                         | 4,480,970                    | 723,035                            | 16.1%       | -                                | 0.0%        | 723,035   | 16.1%       | (3.5)         |
| Parks (incl. Parks Maint.)              | 13,405,900                   | 447,461                            | 3.3%        | -                                | 0.0%        | 447,461   | 3.3%        | (2.0)         |
| Public Works <sup>2</sup>               | 2,076,586                    | 65,015                             | 3.1%        | -                                | 0.0%        | 65,015  | 3.1%        | -             |
| Finance and Administration <sup>3</sup> | 6,419,190                    | 79,005                             | 1.2%        | 39,120                           | 0.6%        | 118,125   | 1.8%        | -             |
| Planning                                | 6,013,562                    | 185,693                            | 3.1%        | 35,995                           | 0.6%        | 221,688   | 3.7%        | (0.8)         |
| Police                                  | 40,927,152                   | 1,793,710                          | 4.4%        | -                                | 0.0%        | 1,793,710   | 4.4%        | (5.0)         |
| Fire                                    | 30,113,182                   | 23,142                             | 0.1%        | -                                | 0.0%        | 23,142  | 0.1%        | -             |
| Building                                | 4,393,636                    | -                                  | 0.0%        | -                                | 0.0%        | -   | 0.0%        | -             |
| <b>Subtotal<sup>4</sup></b>             | <b>116,283,674</b>           | <b>3,528,219</b>                   | <b>3.0%</b> | <b>75,115</b>                    | <b>0.1%</b> | <b>3,603,334</b>  | <b>3.1%</b> | <b>(11.7)</b> |
| <b>Other Funds</b>                      |                              |                                    |             |                                  |             |   |             |               |
| Streets                                 | 8,494,592                    | 524,015                            | 6.2%        | -                                | 0.0%        | 524,015   | 6.2%        | (1.9)         |
| Fleet                                   | 3,915,580                    | 0                                  | 0.0%        | -                                | 0.0%        | -   | 0.0%        | -             |
| Information Technology                  | 7,920,652                    | 169,636                            | 2.1%        | -                                | 0.0%        | 169,636   | 2.1%        | -             |
| Facilities                              | 4,740,490                    | 237,024                            | 5.0%        | -                                | 0.0%        | 237,024   | 5.0%        | -             |
| <b>Subtotal Other Funds</b>             | <b>25,071,314</b>            | <b>930,675</b>                     | <b>3.7%</b> | <b>-</b>                         | <b>0.0%</b> | <b>930,675</b>  | <b>3.7%</b> | <b>(1.9)</b>  |
| <b>TOTAL</b>                            | <b>141,354,988</b>           | <b>4,458,894</b>                   | <b>3.2%</b> | <b>75,115</b>                    | <b>0.1%</b> | <b>4,534,009</b>  | <b>3.2%</b> | <b>(13.6)</b> |

<sup>1</sup> The reduction basis reflects the 2012 ongoing budget adjusted to biennial basis excluding utilities

<sup>2</sup> Excludes CIP/utility/fee - supported costs

<sup>3</sup> Excludes functions that are 100% utility funded

<sup>4</sup> Excludes Non-Dept. as most costs are fixed: debt service, retiree medical, intergovernmental professional services, interfund transfers, etc.; includes Parks Maintenance fund



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**City of Kirkland  
2013-2014 Budget  
Ongoing Reduction Packages**

| Pkg. #  |  | 2013-14 Department Submittals |             |                |                |                | 2013-14 City Manager Recommended |                |                |                |              |
|---|--|-------------------------------|-------------|----------------|----------------|----------------|----------------------------------|----------------|----------------|----------------|--------------|
|   |  | Reduction Basis %             | FTE         | 2013           | 2014           | Total          | FTE                              | 2013           | 2014           | Total          | %            |
| <b>GENERAL FUND</b>   |  |                               |             |                |                |                |                                  |                |                |                |              |
| <b>City Council</b>   |  | 602,888                       |             |                |                |                |                                  |                |                |                |              |
| BR001   | Suburban Cities Association (SCA) Membership Dues              | 2.0%                          | -           | 6,000          | 6,000          | 12,000         | -                                | 6,000          | 6,000          | 12,000         | 2.0%         |
| BR002   | SCA Dues (additional) and Puget Sound Regional Council         | 3.4%                          | -           | 10,305         | 10,305         | 20,610         | -                                | 10,305         | 10,305         | 20,610         | 3.4%         |
| BR003   | City Council Neighborhood Meeting Notices                      | 1.0%                          | -           | 1,500          | 4,500          | 6,000          | -                                | -              | -              | -              | 0.0%         |
| <b>Subtotal City Council</b>                                      |  | <b>6.4%</b>                   | <b>-</b>    | <b>17,805</b>  | <b>20,805</b>  | <b>38,610</b>  | <b>-</b>                         | <b>16,305</b>  | <b>16,305</b>  | <b>32,610</b>  | <b>5.4%</b>  |
| <b>City Manager</b>   |  | 3,019,938                     |             |                |                |                |                                  |                |                |                |              |
| BR004   | Economic Development Professional Services - Kirkland First    | 0.8%                          | -           | 12,000         | 12,000         | 24,000         | -                                | 12,000         | 12,000         | 24,000         | 0.8%         |
| BR005   | Neighborhood Services Coordinator                              | 2.0%                          | 0.25        | 29,435         | 29,968         | 59,403         | 0.25                             | 29,435         | 29,968         | 59,403         | 2.0%         |
| BR006   | Neighborhood Services Coordinator (additional 0.25 FTE)        | 2.0%                          | 0.25        | 29,435         | 29,968         | 59,403         | 0.15                             | 17,661         | 17,981         | 35,642         | 1.2%         |
| BR007   | Economic Development Prof. Services - Quarterly Dashboard      | 0.3%                          | -           | 4,000          | 4,000          | 8,000          | -                                | 4,000          | 4,000          | 8,000          | 0.3%         |
| <b>Subtotal City Manager</b>                                      |  | <b>5.0%</b>                   | <b>0.50</b> | <b>74,870</b>  | <b>75,936</b>  | <b>150,806</b> | <b>0.40</b>                      | <b>63,096</b>  | <b>63,949</b>  | <b>127,045</b> | <b>4.2%</b>  |
| <b>Human Resources</b>  |  | 2,258,864                     |             |                |                |                |                                  |                |                |                |              |
| BR008   | Human Resources Analyst Reclass to HR Assistant                | 2.3%                          | -           | 26,556         | 24,947         | 51,503         | -                                | 26,556         | 24,947         | 51,503         | 2.3%         |
| BR009   | Human Resources Assistant                                      | 2.6%                          | 0.35        | 29,267         | 30,553         | 59,820         | -                                | -              | -              | -              | 0.0%         |
| <b>Subtotal Human Resources</b>                                   |  | <b>4.9%</b>                   | <b>0.35</b> | <b>55,823</b>  | <b>55,500</b>  | <b>111,323</b> | <b>-</b>                         | <b>26,556</b>  | <b>24,947</b>  | <b>51,503</b>  | <b>2.3%</b>  |
| <b>City Attorney</b>  |  | 2,571,806                     |             |                |                |                |                                  |                |                |                |              |
| BR010   | Outside Counsel  | 2.0%                          | -           | 25,720         | 25,720         | 51,440         | -                                | -              | -              | -              | 0.0%         |
| BR011   | Attorney Furloughs, Travel, Training & BAR Association Dues    | 3.0%                          | -           | 38,605         | 38,605         | 77,210         | -                                | -              | -              | -              | 0.0%         |
| <b>Subtotal City Attorney</b>                                     |  | <b>5.0%</b>                   | <b>-</b>    | <b>64,325</b>  | <b>64,325</b>  | <b>128,650</b> | <b>-</b>                         | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>0.0%</b>  |
| <b>Municipal Court</b>  |  | 4,480,970                     |             |                |                |                |                                  |                |                |                |              |
| BR012   | Judicial Position  | 7.9%                          | 1.00        | 175,162        | 177,827        | 352,989        | 1.00                             | 175,162        | 177,827        | 352,989        | 7.9%         |
| BR013   | JSA II   | 7.7%                          | 2.50        | 168,867        | 178,160        | 347,027        | 2.50                             | 168,867        | 178,160        | 347,027        | 7.7%         |
| BR014   | Hourly High School File Clerk                                  | 0.5%                          | -           | 11,461         | 11,558         | 23,019         | -                                | 11,461         | 11,558         | 23,019         | 0.5%         |
| <b>Subtotal Municipal Court</b>                                   |  | <b>16.1%</b>                  | <b>3.50</b> | <b>355,490</b> | <b>367,545</b> | <b>723,035</b> | <b>3.50</b>                      | <b>355,490</b> | <b>367,545</b> | <b>723,035</b> | <b>16.1%</b> |
| <b>Parks &amp; Community Services &amp; Parks Maintenance</b>     |  | 13,405,900                    |             |                |                |                |                                  |                |                |                |              |
| BR015   | Travel & Training  | 0.1%                          | -           | 9,950          | 9,950          | 19,900         | -                                | -              | -              | -              | 0.0%         |
| BR016   | Youth Council Mini-Grants, Sr. Council Proj., Human Svc. Proj. | 0.3%                          | -           | 18,300         | 18,300         | 36,600         | -                                | -              | -              | -              | 0.0%         |
| BR017   | Field Arborist   | 1.4%                          | 1.00        | 92,409         | 97,631         | 190,040        | 1.00                             | 92,409         | 97,631         | 190,040        | 1.4%         |
| BR018   | Business Services Program Manager                              | 1.9%                          | 1.00        | 127,620        | 129,801        | 257,421        | 1.00                             | 127,620        | 129,801        | 257,421        | 1.9%         |
| BR019   | Human Services Agency Support                                  | 0.5%                          | -           | 32,847         | 32,847         | 65,694         | -                                | -              | -              | -              | 0.0%         |
| BR020   | Office Technician  | 0.8%                          | 0.75        | 53,976         | 57,401         | 111,377        | -                                | -              | -              | -              | 0.0%         |
| <b>Subtotal Parks &amp; Community Services &amp; Parks Maint.</b> |  | <b>5.1%</b>                   | <b>2.75</b> | <b>335,102</b> | <b>345,930</b> | <b>681,032</b> | <b>2.00</b>                      | <b>220,029</b> | <b>227,432</b> | <b>447,461</b> | <b>3.3%</b>  |
| <b>Public Works (net of revenue supported)</b>                    |  | 2,076,586                     |             |                |                |                |                                  |                |                |                |              |
| BR021   | Hourly and Misc. Supplies                                      | 2.6%                          | -           | 26,804         | 26,811         | 53,615         | -                                | 26,804         | 26,811         | 53,615         | 2.6%         |
| BR022   | Misc. Supplies   | 0.5%                          | -           | 5,700          | 5,700          | 11,400         | -                                | 5,700          | 5,700          | 11,400         | 0.5%         |
| BR023   | Hourly, Travel & Training                                      | 0.7%                          | -           | 7,329          | 7,326          | 14,655         | -                                | -              | -              | -              | 0.0%         |
| BR024   | CIP Supervisor (General Fund Portion)                          | 2.8%                          | 1.00        | 28,877         | 29,349         | 58,226         | -                                | -              | -              | -              | 0.0%         |
| <b>Subtotal Public Works</b>                                      |  | <b>6.6%</b>                   | <b>1.00</b> | <b>68,710</b>  | <b>69,186</b>  | <b>137,896</b> | <b>-</b>                         | <b>32,504</b>  | <b>32,511</b>  | <b>65,015</b>  | <b>3.1%</b>  |

**City of Kirkland  
2013-2014 Budget  
Ongoing Reduction Packages**

| Pkg. #   |  | 2013-14 Department Submittals |              |                  |                  | 2013-14 City Manager Recommended |              |                  |                  |                  |             |
|--|--|-------------------------------|--------------|------------------|------------------|----------------------------------|--------------|------------------|------------------|------------------|-------------|
|  |  | Reduction Basis %             | FTE          | 2013             | 2014             | Total                            | FTE          | 2013             | 2014             | Total            | %           |
| <b>Finance &amp; Administration</b>                    |  | 6,419,190                     |              |                  |                  |                                  |              |                  |                  |                  |             |
| BR025  | Pos. Reclassifications & Budget Dev. Process Streamlining  | 1.2%                          | -            | 43,188           | 35,817           | 79,005                           | -            | 43,188           | 35,817           | 79,005           | 1.2%        |
| BR026  | Charge Cemetery Administration to Cemetery Fund            | 0.6%                          | -            | 19,041           | 20,079           | 39,120                           | -            | 19,041           | 20,079           | 39,120           | 0.6%        |
| BR027  | City Clerk Hourly Support                                  | 0.2%                          | -            | 5,000            | 5,000            | 10,000                           | -            | -                | -                | -                | 0.0%        |
| BR028  | Buyer Position   | 3.0%                          | 1.00         | 95,046           | 96,979           | 192,025                          | -            | -                | -                | -                | 0.0%        |
| <b>Subtotal Finance &amp; Administration</b>           |  | <b>5.0%</b>                   | <b>1.00</b>  | <b>162,275</b>   | <b>157,875</b>   | <b>320,150</b>                   | <b>-</b>     | <b>62,229</b>    | <b>55,896</b>    | <b>118,125</b>   | <b>1.8%</b> |
| <b>Planning &amp; Community Development</b>            |  | 6,013,562                     |              |                  |                  |                                  |              |                  |                  |                  |             |
| BR029  | Urban Forester   | 1.9%                          | 0.50         | 55,884           | 56,921           | 112,805                          | 0.50         | 55,884           | 56,921           | 112,805          | 1.9%        |
| BR030  | Senior Planner   | 1.2%                          | 0.30         | 36,120           | 36,768           | 72,888                           | 0.30         | 36,120           | 36,768           | 72,888           | 1.2%        |
| BR031  | Development Review Manager                                 | 1.0%                          | 0.20         | 29,278           | 29,753           | 59,031                           | -            | -                | -                | -                | 0.0%        |
| BR032  | Office Specialist  | 0.5%                          | 0.20         | 15,867           | 16,227           | 32,094                           | -            | -                | -                | -                | 0.0%        |
| BR033  | Revenue Enhancements                                       | 0.6%                          | -            | 17,873           | 18,122           | 35,995                           | -            | 17,873           | 18,122           | 35,995           | 0.6%        |
| <b>Subtotal Planning &amp; Community Development</b>   |  | <b>5.2%</b>                   | <b>1.20</b>  | <b>155,022</b>   | <b>157,791</b>   | <b>312,813</b>                   | <b>0.80</b>  | <b>109,877</b>   | <b>111,811</b>   | <b>221,688</b>   | <b>3.7%</b> |
| <b>Police</b>  |  | 40,927,152                    |              |                  |                  |                                  |              |                  |                  |                  |             |
| BR034  | NORCOM Dispatch Contract Services                          | 0.9%                          | -            | 245,000          | 137,000          | 382,000                          | -            | 245,000          | 137,000          | 382,000          | 0.9%        |
| BR035  | Proact Officers  | 1.3%                          | 2.00         | 256,840          | 259,426          | 516,266                          | 2.00         | 256,840          | 259,426          | 516,266          | 1.3%        |
| BR036  | Jail Laundry Contract Services                             | 0.1%                          | -            | 24,000           | 24,000           | 48,000                           | -            | 24,000           | 24,000           | 48,000           | 0.1%        |
| BR037  | Administrative Support Associate                           | 0.4%                          | 1.00         | 80,830           | 85,578           | 166,408                          | 1.00         | 80,830           | 85,578           | 166,408          | 0.4%        |
| BR038  | Department Equipment Repairs & Maintenance                 | 0.1%                          | -            | 29,000           | 6,187            | 35,187                           | -            | 29,000           | 6,187            | 35,187           | 0.1%        |
| BR039  | Prisoner Medical Services                                  | 0.1%                          | -            | 26,000           | 26,000           | 52,000                           | -            | -                | -                | -                | 0.0%        |
| BR040  | Narcotics Task Force Detective                             | 0.6%                          | 1.00         | 130,400          | 131,693          | 262,093                          | 1.00         | 130,400          | 131,693          | 262,093          | 0.6%        |
| BR041  | K-9 Officer  | 0.9%                          | 1.00         | 239,799          | 143,957          | 383,756                          | 1.00         | 239,799          | 143,957          | 383,756          | 0.9%        |
| BR042  | Corrections Officer (one-time)                             | 0.2%                          | -            | 91,301           | -                | 91,301                           | -            | -                | -                | -                | 0.0%        |
| BR043  | Neighborhood Resource Officer                              | 0.3%                          | 1.00         | -                | 127,170          | 127,170                          | -            | -                | -                | -                | 0.0%        |
| <b>Subtotal Police</b>                                 |  | <b>5.0%</b>                   | <b>6.00</b>  | <b>1,123,170</b> | <b>941,011</b>   | <b>2,064,181</b>                 | <b>5.00</b>  | <b>1,005,869</b> | <b>787,841</b>   | <b>1,793,710</b> | <b>4.4%</b> |
| <b>Fire</b>  |  | 30,113,182                    |              |                  |                  |                                  |              |                  |                  |                  |             |
| BR044  | Fire Inspector   | 0.9%                          | 1.00         | 140,338          | 140,338          | 280,676                          | -            | -                | -                | -                | 0.0%        |
| BR045  | Wildland Response  | 0.1%                          | -            | 11,571           | 11,571           | 23,142                           | -            | 11,571           | 11,571           | 23,142           | 0.1%        |
| BR046  | Reduce 1.0 Firefighter (overtime backfill)                 | 0.4%                          | 1.00         | 52,245           | 55,586           | 107,831                          | -            | -                | -                | -                | 0.0%        |
| BR047  | Firefighter (Reduce Min. Staffing from 19 to 18 Personnel) | 2.3%                          | 3.00         | 341,550          | 351,576          | 693,126                          | -            | -                | -                | -                | 0.0%        |
| BR048  | Firefighter (Reduce Min. Staffing from 18 to 17 Personnel) | 2.3%                          | 3.00         | 341,550          | 351,576          | 693,126                          | -            | -                | -                | -                | 0.0%        |
| <b>Subtotal Fire</b>                                   |  | <b>6.0%</b>                   | <b>8.00</b>  | <b>887,254</b>   | <b>910,647</b>   | <b>1,797,901</b>                 | <b>-</b>     | <b>11,571</b>    | <b>11,571</b>    | <b>23,142</b>    | <b>0.1%</b> |
| <b>Building</b>  |  | 4,393,636                     |              |                  |                  |                                  |              |                  |                  |                  |             |
| BR049  | Professional Services (Park Place Structural Review)       | 0.3%                          | -            | 14,655           | -                | 14,655                           | -            | -                | -                | -                | 0.0%        |
| BR050  | Office Technician (Building)                               | 1.7%                          | 0.50         | 35,468           | 37,750           | 73,218                           | -            | -                | -                | -                | 0.0%        |
| BR051  | Plans Examiner II  | 5.1%                          | 1.00         | 110,125          | 112,188          | 222,313                          | -            | -                | -                | -                | 0.0%        |
| <b>Subtotal Building</b>                               |  | <b>7.1%</b>                   | <b>1.50</b>  | <b>160,248</b>   | <b>149,938</b>   | <b>310,186</b>                   | <b>-</b>     | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>0.0%</b> |
| <b>GENERAL FUND TOTAL (Includes Parks Maintenance)</b> |  | <b>5.8%</b>                   | <b>25.80</b> | <b>3,460,094</b> | <b>3,316,489</b> | <b>6,776,583</b>                 | <b>11.70</b> | <b>1,903,526</b> | <b>1,699,808</b> | <b>3,603,334</b> | <b>3.1%</b> |

**City of Kirkland  
2013-2014 Budget  
Ongoing Reduction Packages**

| Pkg. #                                      |  | 2013-14 Department Submittals |              |                  |                  | 2013-14 City Manager Recommended |              |                  |                  |                  |             |
|---|--|-------------------------------|--------------|------------------|------------------|----------------------------------|--------------|------------------|------------------|------------------|-------------|
|   |  | Reduction Basis %             | FTE          | 2013             | 2014             | Total                            | FTE          | 2013             | 2014             | Total            | %           |
| <b>OTHER FUNDS</b>                          |  |                               |              |                  |                  |                                  |              |                  |                  |                  |             |
| <b>Street Operating Fund</b>                |  | 8,494,592                     |              |                  |                  |                                  |              |                  |                  |                  |             |
| BR052                                       | Groundstech (Street Operations and Maintenance Outreach) | 1.5%                          | 0.90         | 63,345           | 67,933           | 131,278                          | 0.90         | 63,345           | 67,933           | 131,278          | 1.5%        |
| BR053                                       | Locator Position   | 1.0%                          | 0.50         | 41,120           | 43,324           | 84,444                           | 0.50         | 41,120           | 43,324           | 84,444           | 1.0%        |
| BR054                                       | Operations and Maintenance Inventory and Supplies        | 0.5%                          | -            | 21,750           | 21,750           | 43,500                           | -            | 21,750           | 21,750           | 43,500           | 0.5%        |
| BR055                                       | Utility Costs, Supplies and Services                     | 1.6%                          | -            | 69,750           | 69,000           | 138,750                          | -            | 69,750           | 69,000           | 138,750          | 1.6%        |
| BR056                                       | Parking Advisory Board Support and Parking Coordination  | 1.5%                          | 0.50         | 62,372           | 63,671           | 126,043                          | 0.50         | 62,372           | 63,671           | 126,043          | 1.5%        |
| <b>Subtotal Street Operating Fund</b>       |  | <b>6.2%</b>                   | <b>1.90</b>  | <b>258,337</b>   | <b>265,678</b>   | <b>524,015</b>                   | <b>1.90</b>  | <b>258,337</b>   | <b>265,678</b>   | <b>524,015</b>   | <b>6.2%</b> |
| <b>Equipment Rental Fund</b>                |  | 3,915,580                     |              |                  |                  |                                  |              |                  |                  |                  |             |
| BR057                                       | Reduce Fleet Size  | 5.1%                          | -            | 100,000          | 100,000          | 200,000                          | -            | -                | -                | -                | 0.0%        |
| <b>Subtotal Equipment Rental Fund</b>       |  | <b>5.1%</b>                   | <b>-</b>     | <b>100,000</b>   | <b>100,000</b>   | <b>200,000</b>                   | <b>-</b>     | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>0.0%</b> |
| <b>Information Technology Fund</b>          |  | 7,920,652                     |              |                  |                  |                                  |              |                  |                  |                  |             |
| BR058                                       | Ongoing Operational Reductions                           | 1.8%                          | -            | 73,018           | 73,018           | 146,036                          | -            | 73,018           | 73,018           | 146,036          | 1.8%        |
| BR059                                       | Ongoing Operational Reductions (addt'l)                  | 0.2%                          | -            | 6,800            | 6,800            | 13,600                           | -            | 6,800            | 6,800            | 13,600           | 0.2%        |
| BR060                                       | Ongoing Operational Reductions (addt'l)                  | 0.1%                          | -            | 5,000            | 5,000            | 10,000                           | -            | 5,000            | 5,000            | 10,000           | 0.1%        |
| BR061                                       | Hourly Staffing  | 0.3%                          | -            | 13,750           | 13,750           | 27,500                           | -            | -                | -                | -                | 0.0%        |
| BR062                                       | GIS Analyst  | 1.3%                          | 0.50         | 51,471           | 51,471           | 102,942                          | -            | -                | -                | -                | 0.0%        |
| BR063                                       | Network Analyst  | 1.5%                          | 0.50         | 58,781           | 61,072           | 119,853                          | -            | -                | -                | -                | 0.0%        |
| <b>Subtotal Information Technology Fund</b> |  | <b>5.3%</b>                   | <b>1.00</b>  | <b>208,820</b>   | <b>211,111</b>   | <b>419,931</b>                   | <b>-</b>     | <b>84,818</b>    | <b>84,818</b>    | <b>169,636</b>   | <b>2.1%</b> |
| <b>Facilities Maintenance Fund</b>          |  | 4,740,490                     |              |                  |                  |                                  |              |                  |                  |                  |             |
| BR064                                       | Budget Efficiencies                                      | 5.0%                          | -            | 118,512          | 118,512          | 237,024                          | -            | 118,512          | 118,512          | 237,024          | 5.0%        |
| <b>Subtotal Facilities Maintenance Fund</b> |  | <b>5.0%</b>                   | <b>-</b>     | <b>118,512</b>   | <b>118,512</b>   | <b>237,024</b>                   | <b>-</b>     | <b>118,512</b>   | <b>118,512</b>   | <b>237,024</b>   | <b>5.0%</b> |
| <b>TOTAL OTHER FUNDS</b>                    |  | <b>5.5%</b>                   | <b>2.90</b>  | <b>685,669</b>   | <b>695,301</b>   | <b>1,380,970</b>                 | <b>1.90</b>  | <b>461,667</b>   | <b>469,008</b>   | <b>930,675</b>   | <b>3.7%</b> |
| <b>TOTAL ALL FUNDS</b>                      |  | <b>5.8%</b>                   | <b>28.70</b> | <b>4,145,763</b> | <b>4,011,790</b> | <b>8,157,553</b>                 | <b>13.60</b> | <b>2,365,193</b> | <b>2,168,816</b> | <b>4,534,009</b> | <b>3.2%</b> |

|   | 2013-14 Department Submittals |                |                | 2013-14 City Manager Recommended |                |                |
|---|-------------------------------|----------------|----------------|----------------------------------|----------------|----------------|
|   | 2013                          | 2014           | Total          | 2013                             | 2014           | Total          |
| <b>Internal Service Fund Impact to General Fund</b> |                               |                |                |                                  |                |                |
| Information Technology Fund                         | 95,000                        | 95,000         | 190,000        | 95,000                           | 95,000         | 190,000        |
| Equipment Rental Fund                               | -                             | -              | -              | -                                | -              | -              |
| Facilities Maintenance Fund                         | 106,000                       | 106,000        | 212,000        | 106,000                          | 106,000        | 212,000        |
| <b>Total Impact to General Fund</b>                 | <b>201,000</b>                | <b>201,000</b> | <b>402,000</b> | <b>201,000</b>                   | <b>201,000</b> | <b>402,000</b> |



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**City of Kirkland  
2013-2014 Budget  
Summary of Service Packages by Department/Function**

**2% & 5% Service Package Requests**

| Department   | Requested Service Packages |                  | Recommended Service Packages |                  |
|--|----------------------------|------------------|------------------------------|------------------|
|  | FTEs                       | Dollars          | FTEs                         | Dollars          |
| <b>General Fund</b>  |                            |                  |                              |                  |
| City Council   | -                          | 32,910           | -                            | 26,610           |
| City Manager   | 0.50                       | 117,077          | -                            | 30,000           |
| Municipal Court  | -                          | 11,840           | -                            | -                |
| Human Resources  | -                          | 115,000          | -                            | 50,000           |
| City Attorney  | -                          | 31,773           | -                            | -                |
| Parks & Community Services (includes Parks Maint. Fund <sup>1</sup> )    | 1.00                       | 795,228          | -                            | -                |
| Public Works   | 1.85                       | 424,018          | 1.60                         | 364,694          |
| Finance and Administration   | 1.70                       | 344,541          | -                            | -                |
| Planning   | 0.10                       | 292,139          | -                            | -                |
| Police   | 7.00                       | 2,067,104        | -                            | -                |
| Fire   | 3.25                       | 1,844,292        | 1.00                         | 1,261,530        |
| Building   | -                          | 97,012           | -                            | -                |
| <b>Subtotal General Fund<sup>2</sup></b>                                 | <b>15.40</b>               | <b>6,172,934</b> | <b>2.60</b>                  | <b>1,732,834</b> |
| <b>Other Funds</b>   |                            |                  |                              |                  |
| Street Operating   | 2.45                       | 832,826          | -                            | 50,000           |
| Equipment Rental   | -                          | 144,136          | -                            | -                |
| Information Technology   | 2.00                       | 532,631          | -                            | 532,631          |
| Facilities   | -                          | 234,204          | -                            | -                |
| <b>Subtotal Other Funds</b>  | <b>4.45</b>                | <b>1,743,797</b> | <b>-</b>                     | <b>582,631</b>   |
| <b>Total 2% &amp; 5% Requests   19.85   7,916,731   2.60   2,315,465</b> |                            |                  |                              |                  |

**Other Service Package Requests**

| Department  | Requested Service Packages |                   | Recommended Service Packages |                   |
|---|----------------------------|-------------------|------------------------------|-------------------|
|   | FTEs                       | Dollars           | FTEs                         | Dollars           |
| <b>General Fund</b>   |                            |                   |                              |                   |
| City Council  | -                          | 30,000            | -                            | 30,000            |
| City Manager  | -                          | 229,684           | -                            | 229,684           |
| Municipal Court   | -                          | 86,076            | -                            | 86,076            |
| Parks & Community Services  | -                          | 477,056           | -                            | 387,428           |
| Public Works  | 1.00                       | 236,566           | 1.00                         | 236,566           |
| Planning  | -                          | 956,000           | -                            | 956,000           |
| <b>Subtotal General Fund<sup>2</sup></b>  | <b>1.00</b>                | <b>2,015,382</b>  | <b>1.00</b>                  | <b>1,925,754</b>  |
| <b>Other Funds</b>  |                            |                   |                              |                   |
| Street Operating  | -                          | 320,116           | -                            | 320,116           |
| Surface Water   | 2.50                       | 864,339           | 0.50                         | 228,504           |
| Solid Waste   | 0.50                       | 116,189           | -                            | 0                 |
| Information Technology  | -                          | 275,441           | -                            | 275,441           |
| <b>Subtotal Other Funds</b>   | <b>3.00</b>                | <b>1,576,085</b>  | <b>0.50</b>                  | <b>824,061</b>    |
| <b>Public Safety Building and Levy's</b>  |                            |                   |                              |                   |
| Public Safety Building  | 4.20                       | 1,558,034         | 4.20                         | 1,558,034         |
| Street Levy   | 3.00                       | 6,237,838         | 3.00                         | 6,237,838         |
| Parks O&M Levy  | 7.25                       | 2,497,711         | 7.25                         | 2,497,711         |
| <b>Subtotal Public Safety Building and Levy's</b>                                     | <b>14.45</b>               | <b>10,293,583</b> | <b>14.45</b>                 | <b>10,293,583</b> |
| <b>Total Other Service Package Requests   18.45   13,885,050   15.95   13,043,398</b> |                            |                   |                              |                   |
| <b>Grand Total Service Package Requests   38.30   21,801,781   18.55   15,358,863</b> |                            |                   |                              |                   |

<sup>1</sup> Combination of General Fund Parks & Community Services costs and Parks Maintenance Fund 125

<sup>2</sup> Excludes Nondepartmental



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**City of Kirkland  
2013-2014 Budget  
2% & 5% Service Package Requests**

| Pkg. #                                       |  | 2013-14 Department Request |                |               |                | 2013-14 City Manager Recommended |                |          |                |
|--|--|----------------------------|----------------|---------------|----------------|----------------------------------|----------------|----------|----------------|
|  |  | FTE                        | Ongoing        | One-time      | Total          | FTE                              | Ongoing        | One-time | Total          |
| <b>GENERAL FUND</b>                          |  |                            |                |               |                |                                  |                |          |                |
| <b>City Council</b>                          |  |                            |                |               |                |                                  |                |          |                |
| SP001  | Training and Travel & Subsistence                                | -                          | 26,610         | -             | 26,610         | -                                | 26,610         | -        | 26,610         |
| SP002  | Boxed Meals for Councilmember's at City Council Meetings         | -                          | 6,300          | -             | 6,300          | -                                | -              | -        | -              |
| <b>Subtotal City Council</b>                 |  | <b>-</b>                   | <b>32,910</b>  | <b>-</b>      | <b>32,910</b>  | <b>-</b>                         | <b>26,610</b>  | <b>-</b> | <b>26,610</b>  |
| <b>City Manager</b>                          |  |                            |                |               |                |                                  |                |          |                |
| SP003  | Cultural Council Staffing  | -                          | 30,000         | -             | 30,000         | -                                | 30,000         | -        | 30,000         |
| SP004  | Administrative Support   | 0.50                       | 87,077         | -             | 87,077         | -                                | -              | -        | -              |
| <b>Subtotal City Manager</b>                 |  | <b>0.50</b>                | <b>117,077</b> | <b>-</b>      | <b>117,077</b> | <b>-</b>                         | <b>30,000</b>  | <b>-</b> | <b>30,000</b>  |
| <b>Municipal Court</b>                       |  |                            |                |               |                |                                  |                |          |                |
| SP005  | Reclass JSA II Position to Lead JSA                              | -                          | 11,840         | -             | 11,840         | -                                | -              | -        | -              |
| <b>Subtotal Municipal Court</b>              |  | <b>-</b>                   | <b>11,840</b>  | <b>-</b>      | <b>11,840</b>  | <b>-</b>                         | <b>-</b>       | <b>-</b> | <b>-</b>       |
| <b>Human Resources</b>                       |  |                            |                |               |                |                                  |                |          |                |
| SP006  | Performance Management Development                               | -                          | 50,000         | -             | 50,000         | -                                | 50,000         | -        | 50,000         |
| SP007  | Performance Management Development (additional)                  | -                          | 65,000         | -             | 65,000         | -                                | -              | -        | -              |
| <b>Subtotal Human Resources</b>              |  | <b>-</b>                   | <b>115,000</b> | <b>-</b>      | <b>115,000</b> | <b>-</b>                         | <b>50,000</b>  | <b>-</b> | <b>50,000</b>  |
| <b>City Attorney's Office</b>                |  |                            |                |               |                |                                  |                |          |                |
| SP008  | Management Leave and Law Library Funding                         | -                          | 31,773         | -             | 31,773         | -                                | -              | -        | -              |
| <b>Subtotal City Attorney's Office</b>       |  | <b>-</b>                   | <b>31,773</b>  | <b>-</b>      | <b>31,773</b>  | <b>-</b>                         | <b>-</b>       | <b>-</b> | <b>-</b>       |
| <b>Public Works</b>                          |  |                            |                |               |                |                                  |                |          |                |
| SP009  | Transportation Engineer (full permit rev. and add'l exp. offset) | 0.85                       | 186,620        | -             | 186,620        | 0.85                             | 186,620        | -        | 186,620        |
| SP010  | Transportation Engineer - Traffic Signal Operations              | 1.00                       | 237,398        | -             | 237,398        | 0.75                             | 178,074        | -        | 178,074        |
| <b>Subtotal Public Works</b>                 |  | <b>1.85</b>                | <b>424,018</b> | <b>-</b>      | <b>424,018</b> | <b>1.60</b>                      | <b>364,694</b> | <b>-</b> | <b>364,694</b> |
| <b>Finance &amp; Administration</b>          |  |                            |                |               |                |                                  |                |          |                |
| SP011  | Customer Accounts Associate - Business License                   | 0.50                       | 85,602         | -             | 85,602         | -                                | -              | -        | -              |
| SP012  | Information Desk Receptionist                                    | 0.50                       | 74,572         | -             | 74,572         | -                                | -              | -        | -              |
| SP013  | Accounting Support Associate IV                                  | 0.50                       | 94,161         | -             | 94,161         | -                                | -              | -        | -              |
| SP014  | Deputy City Clerk  | 0.20                       | 45,206         | -             | 45,206         | -                                | -              | -        | -              |
| SP015  | Support for Finance System Replacement Evaluation                | -                          | -              | 45,000        | 45,000         | -                                | -              | -        | -              |
| <b>Subtotal Finance &amp; Administration</b> |  | <b>1.70</b>                | <b>299,541</b> | <b>45,000</b> | <b>344,541</b> | <b>-</b>                         | <b>-</b>       | <b>-</b> | <b>-</b>       |

**City of Kirkland  
2013-2014 Budget  
2% & 5% Service Package Requests**

| Pkg. #   |  | 2013-14 Department Request |                  |                |                  | 2013-14 City Manager Recommended |                |                |                  |
|--|--|----------------------------|------------------|----------------|------------------|----------------------------------|----------------|----------------|------------------|
|  |  | FTE                        | Ongoing          | One-time       | Total            | FTE                              | Ongoing        | One-time       | Total            |
| <b>Planning &amp; Community Development</b>          |  |                            |                  |                |                  |                                  |                |                |                  |
| SP016  | Senior Planner                                 | 0.10                       | 25,685           | -              | 25,685           | -                                | -              | -              | -                |
| SP017  | Professional Services - Development Review     | -                          | -                | 120,000        | 120,000          | -                                | -              | -              | -                |
| SP018  | Professional Services - Long Range Planning    | -                          | -                | 50,000         | 50,000           | -                                | -              | -              | -                |
| SP019  | Professional Services - Environmental Services | -                          | -                | 60,000         | 60,000           | -                                | -              | -              | -                |
| SP020  | Dues & Memberships                             | -                          | 16,000           | -              | 16,000           | -                                | -              | -              | -                |
| SP021  | Planning Intern                                | -                          | 20,454           | -              | 20,454           | -                                | -              | -              | -                |
| <b>Subtotal Planning &amp; Community Development</b> |  | <b>0.10</b>                | <b>62,139</b>    | <b>230,000</b> | <b>292,139</b>   | <b>-</b>                         | <b>-</b>       | <b>-</b>       | <b>-</b>         |
| <b>Police</b>  |  |                            |                  |                |                  |                                  |                |                |                  |
| SP022  | School Resource Officer                        | 1.00                       | 263,736          | 9,275          | 273,011          | -                                | -              | -              | -                |
| SP023  | Traffic Officer                                | 1.00                       | 322,346          | 77,104         | 399,450          | -                                | -              | -              | -                |
| SP024  | ProAct Unit Officers & Support                 | 5.00                       | 1,280,280        | 114,363        | 1,394,643        | -                                | -              | -              | -                |
| <b>Subtotal Police</b>                               |  | <b>7.00</b>                | <b>1,866,362</b> | <b>200,742</b> | <b>2,067,104</b> | <b>-</b>                         | <b>-</b>       | <b>-</b>       | <b>-</b>         |
| <b>Fire &amp; Building</b>                           |  |                            |                  |                |                  |                                  |                |                |                  |
| SP025  | Finn Hill Staffing (50% of 12-hr coverage)     | -                          | 649,130          | -              | 649,130          | -                                | -              | 649,130        | 649,130          |
| SP026  | Policy & Procedure Manual                      | -                          | 17,000           | 8,500          | 25,500           | -                                | -              | 17,000         | 17,000           |
| SP027  | City Emergency Manager                         | 1.00                       | 319,891          | 2,923          | 322,814          | 1.00                             | 319,891        | 2,923          | 322,814          |
| SP028  | Community Education & Information Specialist   | 1.00                       | 247,328          | 35,027         | 282,355          | -                                | -              | -              | -                |
| SP029  | Fire Records Specialist                        | 0.25                       | 45,850           | -              | 45,850           | -                                | -              | 24,716         | 24,716           |
| SP030  | Aid Vehicle Power Cot and Power Load System    | -                          | -                | 270,773        | 270,773          | -                                | -              | -              | -                |
| SP031  | Senior Financial Analyst                       | 1.00                       | 230,858          | 4,923          | 235,781          | -                                | -              | 235,781        | 235,781          |
| SP032  | Administrative Assistant Reclass               | -                          | 12,089           | -              | 12,089           | -                                | 12,089         | -              | 12,089           |
| SP033  | Reclass Office Technician to Permit Technician | -                          | 97,012           | -              | 97,012           | -                                | -              | -              | -                |
| <b>Subtotal Fire &amp; Building</b>                  |  | <b>3.25</b>                | <b>1,619,158</b> | <b>322,146</b> | <b>1,941,304</b> | <b>1.00</b>                      | <b>331,980</b> | <b>929,550</b> | <b>1,261,530</b> |
| <b>GENERAL FUND TOTAL</b>                            |  | <b>14.40</b>               | <b>4,579,818</b> | <b>797,888</b> | <b>5,377,706</b> | <b>2.60</b>                      | <b>803,284</b> | <b>929,550</b> | <b>1,732,834</b> |

**City of Kirkland  
2013-2014 Budget  
2% & 5% Service Package Requests**

| Pkg. #                                      |   | 2013-14 Department Request |                  |                  |                  | 2013-14 City Manager Recommended |                |                  |                  |
|---|---|----------------------------|------------------|------------------|------------------|----------------------------------|----------------|------------------|------------------|
|   |   | FTE                        | Ongoing          | One-time         | Total            | FTE                              | Ongoing        | One-time         | Total            |
| <b>OTHER FUNDS</b>                          |   |                            |                  |                  |                  |                                  |                |                  |                  |
| <b>Street Operating Fund</b>                |   |                            |                  |                  |                  |                                  |                |                  |                  |
| SP034                                       | Grounds Crew  | 0.45                       | 85,442           | -                | 85,442           | -                                | -              | -                | -                |
| SP035                                       | Laborer   | -                          | 10,869           | -                | 10,869           | -                                | -              | -                | -                |
| SP036                                       | Reclass Lead Street Position to Supervisor                      | -                          | 13,201           | -                | 13,201           | -                                | -              | -                | -                |
| SP037                                       | Field Crew  | 2.00                       | 436,777          | 236,537          | 673,314          | -                                | -              | -                | -                |
| SP038                                       | ITS Software Support (partial KC signal monitoring offset)      | -                          | 50,000           | -                | 50,000           | -                                | 50,000         | -                | 50,000           |
| <b>Subtotal Street Operating Fund</b>       |   | <b>2.45</b>                | <b>596,289</b>   | <b>236,537</b>   | <b>832,826</b>   | <b>-</b>                         | <b>50,000</b>  | <b>-</b>         | <b>50,000</b>    |
| <b>Equipment Rental Fund</b>                |   |                            |                  |                  |                  |                                  |                |                  |                  |
| SP039                                       | Greening the Fleet - Pooled Plug-In Vehicle                     | -                          | 10,896           | 33,000           | 43,896           | -                                | -              | -                | -                |
| SP040                                       | Greening The Fleet - Pooled Plug-In Vehicle and/or Propane/EVCS | -                          | -                | 100,240          | 100,240          | -                                | -              | -                | -                |
| <b>Subtotal Equipment Rental Fund</b>       |   | <b>-</b>                   | <b>10,896</b>    | <b>133,240</b>   | <b>144,136</b>   | <b>-</b>                         | <b>-</b>       | <b>-</b>         | <b>-</b>         |
| <b>Information Technology Fund</b>          |   |                            |                  |                  |                  |                                  |                |                  |                  |
| SP041                                       | Senior Applications Analyst                                     | 1.00                       | 261,815          | 5,218            | 267,033          | -                                | -              | 267,033          | 267,033          |
| SP042                                       | IT Network Security Staff                                       | 1.00                       | 260,380          | 5,218            | 265,598          | -                                | -              | 265,598          | 265,598          |
| <b>Subtotal Information Technology Fund</b> |   | <b>2.00</b>                | <b>522,195</b>   | <b>10,436</b>    | <b>532,631</b>   | <b>-</b>                         | <b>-</b>       | <b>532,631</b>   | <b>532,631</b>   |
| <b>Facilities Maintenance Fund</b>          |   |                            |                  |                  |                  |                                  |                |                  |                  |
| SP043                                       | Facilities Ground Crew  | -                          | 234,204          | -                | 234,204          | -                                | -              | -                | -                |
| <b>Subtotal Facilities Maintenance Fund</b> |   | <b>-</b>                   | <b>234,204</b>   | <b>-</b>         | <b>234,204</b>   | <b>-</b>                         | <b>-</b>       | <b>-</b>         | <b>-</b>         |
| <b>TOTAL OTHER FUNDS</b>                    |   | <b>4.45</b>                | <b>1,363,584</b> | <b>380,213</b>   | <b>1,743,797</b> | <b>-</b>                         | <b>50,000</b>  | <b>532,631</b>   | <b>582,631</b>   |
| <b>TOTAL ALL FUNDS</b>                      |   | <b>18.85</b>               | <b>5,943,402</b> | <b>1,178,101</b> | <b>7,121,503</b> | <b>2.60</b>                      | <b>853,284</b> | <b>1,462,181</b> | <b>2,315,465</b> |

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**City of Kirkland  
2013-2014 Budget  
Other Service Package Requests**

| Pkg. #   |   | 2013-14 Department Request |                |                  |                  | 2013-14 City Manager Recommended |                |                  |                  |
|--|---|----------------------------|----------------|------------------|------------------|----------------------------------|----------------|------------------|------------------|
|  |   | FTE                        | Ongoing        | One-time         | Total            | FTE                              | Ongoing        | One-time         | Total            |
| <b>GENERAL FUND</b>                                  |   |                            |                |                  |                  |                                  |                |                  |                  |
| <b>City Council</b>                                  |   |                            |                |                  |                  |                                  |                |                  |                  |
| SP044  | Community Survey                                      | -                          | -              | 30,000           | 30,000           | -                                | -              | 30,000           | 30,000           |
| <b>Subtotal City Council</b>                         |   | <b>-</b>                   | <b>-</b>       | <b>30,000</b>    | <b>30,000</b>    | <b>-</b>                         | <b>-</b>       | <b>30,000</b>    | <b>30,000</b>    |
| <b>City Manager</b>                                  |   |                            |                |                  |                  |                                  |                |                  |                  |
| SP045  | State Legislative Advocacy Services                   | -                          | -              | 96,000           | 96,000           | -                                | -              | 96,000           | 96,000           |
| SP046  | Administrative Transition CMO                         | -                          | -              | 8,684            | 8,684            | -                                | -              | 8,684            | 8,684            |
| SP047  | Market Study of Totem Lake - Comp. Plan Update        | -                          | -              | 25,000           | 25,000           | -                                | -              | 25,000           | 25,000           |
| SP048  | Police Strategic Plan                                 | -                          | -              | 100,000          | 100,000          | -                                | -              | 100,000          | 100,000          |
| <b>Subtotal City Manager</b>                         |   | <b>-</b>                   | <b>-</b>       | <b>229,684</b>   | <b>229,684</b>   | <b>-</b>                         | <b>-</b>       | <b>229,684</b>   | <b>229,684</b>   |
| <b>Municipal Court</b>                               |   |                            |                |                  |                  |                                  |                |                  |                  |
| SP049  | Municipal Court Security (budgeted in Police)         | -                          | 86,076         | -                | 86,076           | -                                | -              | 86,076           | 86,076           |
| <b>Subtotal Municipal Court</b>                      |   | <b>-</b>                   | <b>86,076</b>  | <b>-</b>         | <b>86,076</b>    | <b>-</b>                         | <b>-</b>       | <b>86,076</b>    | <b>86,076</b>    |
| <b>Parks &amp; Community Services</b>                |   |                            |                |                  |                  |                                  |                |                  |                  |
| SP050  | Kirkland Performance Center Operating Support         | -                          | -              | 68,000           | 68,000           | -                                | -              | 68,000           | 68,000           |
| SP051  | Boat Launch Pay Station                               | -                          | 3,000          | 16,500           | 19,500           | -                                | 3,000          | 16,500           | 19,500           |
| SP052  | Parks Operations and Maintenance (REET Funded)        | -                          | -              | 299,928          | 299,928          | -                                | -              | 299,928          | 299,928          |
| SP053  | Human Services Grant Funding (\$8.61 per capita)      | -                          | 89,628         | -                | 89,628           | -                                | -              | -                | -                |
| <b>Subtotal Parks &amp; Community Services</b>       |   | <b>-</b>                   | <b>92,628</b>  | <b>384,428</b>   | <b>477,056</b>   | <b>-</b>                         | <b>3,000</b>   | <b>384,428</b>   | <b>387,428</b>   |
| <b>Public Works</b>                                  |   |                            |                |                  |                  |                                  |                |                  |                  |
| SP054  | Right-of-way Construction Inspector (ROW permit fees) | 1.00                       | 228,926        | 7,640            | 236,566          | 1.00                             | 228,926        | 7,640            | 236,566          |
| <b>Subtotal Public Works</b>                         |   | <b>1.00</b>                | <b>228,926</b> | <b>7,640</b>     | <b>236,566</b>   | <b>1.00</b>                      | <b>228,926</b> | <b>7,640</b>     | <b>236,566</b>   |
| <b>Planning &amp; Community Development</b>          |   |                            |                |                  |                  |                                  |                |                  |                  |
| SP055  | Growth Management GMA/EIS Comp Plan                   | -                          | -              | 326,000          | 326,000          | -                                | -              | 326,000          | 326,000          |
| SP056  | ARCH Housing Trust Fund                               | -                          | -              | 630,000          | 630,000          | -                                | -              | 630,000          | 630,000          |
| <b>Subtotal Planning &amp; Community Development</b> |   | <b>-</b>                   | <b>-</b>       | <b>956,000</b>   | <b>956,000</b>   | <b>-</b>                         | <b>-</b>       | <b>956,000</b>   | <b>956,000</b>   |
| <b>GENERAL FUND TOTAL</b>                            |   | <b>1.00</b>                | <b>407,630</b> | <b>1,607,752</b> | <b>2,015,382</b> | <b>1.00</b>                      | <b>231,926</b> | <b>1,693,828</b> | <b>1,925,754</b> |

**City of Kirkland  
2013-2014 Budget  
Other Service Package Requests**

| Pkg. #  |  | 2013-14 Department Request |                  |                  |                  | 2013-14 City Manager Recommended |                |                  |                  |
|---|--|----------------------------|------------------|------------------|------------------|----------------------------------|----------------|------------------|------------------|
|   |  | FTE                        | Ongoing          | One-time         | Total            | FTE                              | Ongoing        | One-time         | Total            |
| <b>OTHER FUNDS</b>                            |  |                            |                  |                  |                  |                                  |                |                  |                  |
| <b>Street Operating Fund</b>                  |  |                            |                  |                  |                  |                                  |                |                  |                  |
| SP057   | Temporary Laborer (REET Funded)                      | -                          | -                | 200,116          | 200,116          | -                                | -              | 200,116          | 200,116          |
| SP058   | Median Maintenance (REET Funded)                     | -                          | -                | 120,000          | 120,000          | -                                | -              | 120,000          | 120,000          |
| <b>Subtotal Street Operating Fund</b>         |  | <b>-</b>                   | <b>-</b>         | <b>320,116</b>   | <b>320,116</b>   | <b>-</b>                         | <b>-</b>       | <b>320,116</b>   | <b>320,116</b>   |
| <b>Surface Water Management Fund</b>          |  |                            |                  |                  |                  |                                  |                |                  |                  |
| SP059   | Rain Garden Program (offset w/hourly reductions)     | -                          | 60,000           | -                | 60,000           | -                                | 60,000         | -                | 60,000           |
| SP060   | Maint. Center Office Specialist (offset w/reduction) | 0.50                       | 83,113           | 5,425            | 88,538           | 0.50                             | 83,113         | 5,425            | 88,538           |
| SP061   | Surface Water Equipment                              | -                          | 18,880           | 61,086           | 79,966           | -                                | 18,880         | 61,086           | 79,966           |
| SP062   | Storm Water TV Inspection Vehicle and Equipment      | 2.00                       | 358,410          | 277,425          | 635,835          | -                                | -              | -                | -                |
| <b>Subtotal Surface Water Management Fund</b> |  | <b>2.50</b>                | <b>520,403</b>   | <b>343,936</b>   | <b>864,339</b>   | <b>0.50</b>                      | <b>161,993</b> | <b>66,511</b>    | <b>228,504</b>   |
| <b>Solid Waste Operating Fund</b>             |  |                            |                  |                  |                  |                                  |                |                  |                  |
| SP063   | Environmental Education & Outreach Specialist        | 0.50                       | 116,189          | -                | 116,189          | -                                | -              | -                | -                |
| <b>Subtotal Solid Waste Operating Fund</b>    |  | <b>0.50</b>                | <b>116,189</b>   | <b>-</b>         | <b>116,189</b>   | <b>-</b>                         | <b>-</b>       | <b>-</b>         | <b>-</b>         |
| <b>Information Technology Fund</b>            |  |                            |                  |                  |                  |                                  |                |                  |                  |
| SP064   | Temporary Service Desk Analyst                       | -                          | 144,441          | -                | 144,441          | -                                | -              | 144,441          | 144,441          |
| SP065   | Copier & Plotter Replacements                        | -                          | -                | 131,000          | 131,000          | -                                | -              | 131,000          | 131,000          |
| <b>Subtotal Information Technology Fund</b>   |  | <b>-</b>                   | <b>144,441</b>   | <b>131,000</b>   | <b>275,441</b>   | <b>-</b>                         | <b>-</b>       | <b>275,441</b>   | <b>275,441</b>   |
| <b>TOTAL OTHER FUNDS</b>                      |  | <b>3.00</b>                | <b>781,033</b>   | <b>795,052</b>   | <b>1,576,085</b> | <b>0.50</b>                      | <b>161,993</b> | <b>662,068</b>   | <b>824,061</b>   |
| <b>TOTAL ALL FUNDS</b>                        |  | <b>4.00</b>                | <b>1,188,663</b> | <b>2,402,804</b> | <b>3,591,467</b> | <b>1.50</b>                      | <b>393,919</b> | <b>2,355,896</b> | <b>2,749,815</b> |

**City of Kirkland  
2013-2014 Budget  
Other Service Package Requests**

| Pkg. #                                 |  | 2013-14 Department Request |                  |                |                  | 2013-14 City Manager Recommended |                  |                |                  |
|--|--|----------------------------|------------------|----------------|------------------|----------------------------------|------------------|----------------|------------------|
|  |  | FTE                        | Ongoing          | One-time       | Total            | FTE                              | Ongoing          | One-time       | Total            |
| <b>Public Safety Building</b>          |  |                            |                  |                |                  |                                  |                  |                |                  |
| SP066                                  | Help Desk Staffing & Equip. for the Public Safety Building | 0.20                       | 51,349           | -              | 51,349           | 0.20                             | 51,349           | -              | 51,349           |
| SP067                                  | Jail Operations  | 3.00                       | 625,949          | 161,153        | 787,102          | 3.00                             | 625,949          | 161,153        | 787,102          |
| SP068                                  | Public Safety Building O&M                                 | 1.00                       | 660,663          | 58,920         | 719,583          | 1.00                             | 660,663          | 58,920         | 719,583          |
| <b>Subtotal Public Safety Building</b> |  | <b>4.20</b>                | <b>1,337,961</b> | <b>220,073</b> | <b>1,558,034</b> | <b>4.20</b>                      | <b>1,337,961</b> | <b>220,073</b> | <b>1,558,034</b> |

| <b>2012 Levy Service Packages</b> |  |             |                  |                |                  |             |                  |                |                  |
|-----------------------------------|--|-------------|------------------|----------------|------------------|-------------|------------------|----------------|------------------|
| <b>Street Levy</b>                |  |             |                  |                |                  |             |                  |                |                  |
| SP069                             | Capital Project Engineer (funded by interfund xfr) | 1.00        | 237,838          | -              | 237,838          | 1.00        | 237,838          | -              | 237,838          |
| SP070                             | Street O&M Levy                                    | 2.00        | 5,730,836        | 269,164        | 6,000,000        | 2.00        | 5,730,836        | 269,164        | 6,000,000        |
| <b>Subtotal Street Levy</b>       |  | <b>3.00</b> | <b>5,968,674</b> | <b>269,164</b> | <b>6,237,838</b> | <b>3.00</b> | <b>5,968,674</b> | <b>269,164</b> | <b>6,237,838</b> |

| <b>Parks O&amp;M Levy</b>          |   |             |                  |              |                  |             |                  |              |                  |
|------------------------------------|---|-------------|------------------|--------------|------------------|-------------|------------------|--------------|------------------|
| SP071                              | Restore Maintenance and Operations        | 2.50        | 1,111,575        | -            | 1,111,575        | 2.50        | 1,111,575        | -            | 1,111,575        |
| SP072                              | Beach Lifeguards                          | -           | 200,142          | 3,040        | 203,182          | -           | 200,142          | 3,040        | 203,182          |
| SP073                              | Forest Restoration                        | 3.00        | 712,484          | -            | 712,484          | 3.00        | 712,484          | -            | 712,484          |
| SP074                              | OO Denny Parks Maintenance                | 1.00        | 256,681          | 4,500        | 261,181          | 1.00        | 256,681          | 4,500        | 261,181          |
| SP075                              | Edith Moulton Park Renovation             | -           | 5,660            | -            | 5,660            | -           | 5,660            | -            | 5,660            |
| SP076                              | City-School Partnership Projects          | -           | 5,960            | -            | 5,960            | -           | 5,960            | -            | 5,960            |
| SP077                              | Cross Kirkland Corridor Trail Maintenance | 0.75        | 197,669          | -            | 197,669          | 0.75        | 197,669          | -            | 197,669          |
| <b>Subtotal Parks O&amp;M Levy</b> |   | <b>7.25</b> | <b>2,490,171</b> | <b>7,540</b> | <b>2,497,711</b> | <b>7.25</b> | <b>2,490,171</b> | <b>7,540</b> | <b>2,497,711</b> |

| <b>Parks &amp; Community Services Ongoing (if Levy fails)</b> |   |             |                |          |                |          |          |          |          |
|---|---|-------------|----------------|----------|----------------|----------|----------|----------|----------|
| SP078   | Restore Beach Lifeguards                            | -           | 65,872         | -        | 65,872         | -        | -        | -        | -        |
| SP079   | Green Kirkland Partnership (partial revenue offset) | 1.00        | 314,279        | -        | 314,279        | -        | -        | -        | -        |
| SP080   | Restore Parks Maintenance & Operations              | -           | 415,077        | -        | 415,077        | -        | -        | -        | -        |
| <b>Subtotal Parks &amp; Community Services</b>                |   | <b>1.00</b> | <b>795,228</b> | <b>-</b> | <b>795,228</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> |



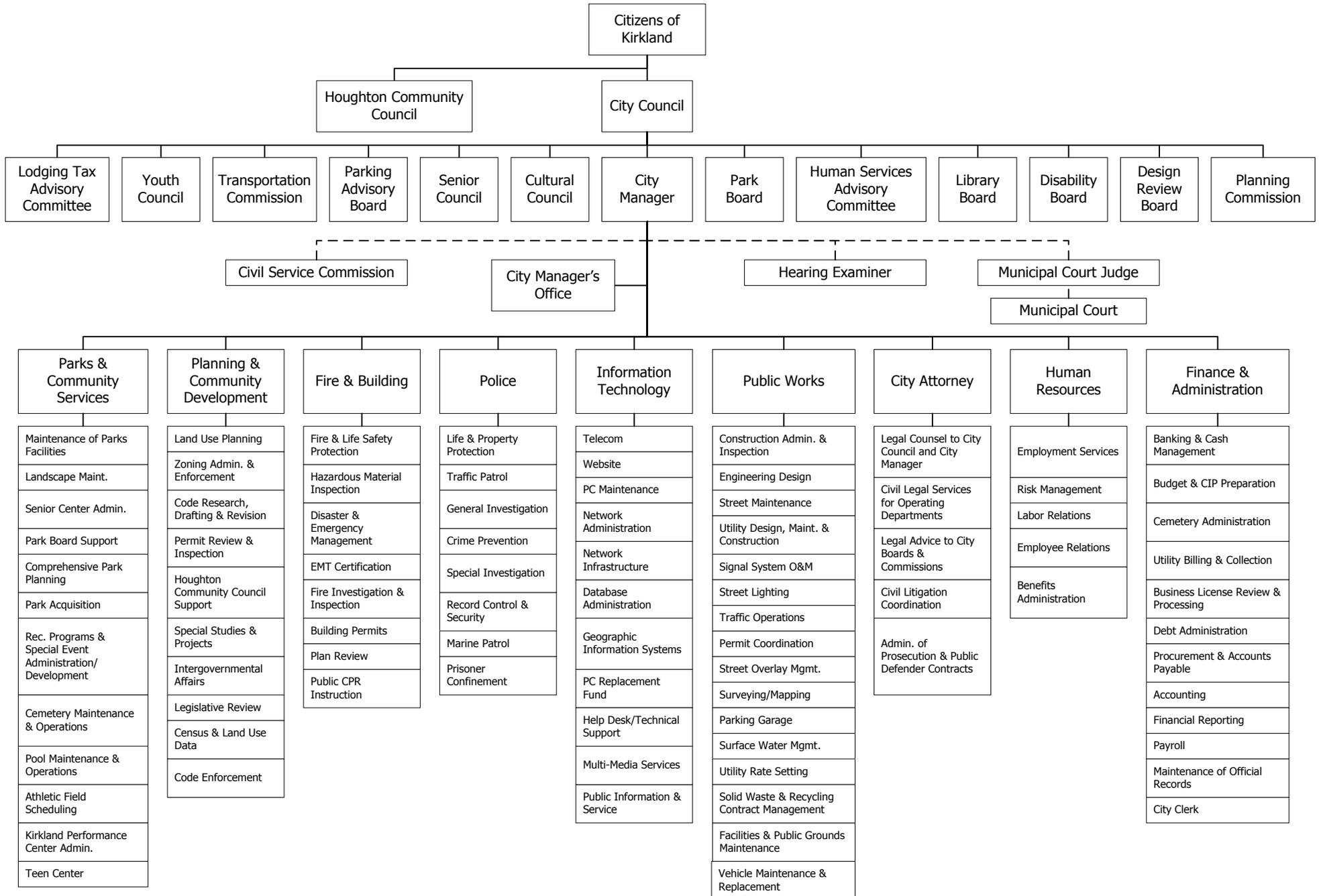
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# KIRKLAND PROFILE



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# CITY OF KIRKLAND





# CITY OF KIRKLAND CITY COUNCIL GOALS

The purpose of the City Council Goals is to articulate key policy and service priorities for Kirkland. Council goals guide the allocation of resources through the budget and capital improvement program to assure that organizational work plans and projects are developed that incrementally move the community towards the stated goals. Council goals are long term in nature. The City's ability to make progress towards their achievement is based on the availability of resources at any given time. Implicit in the allocation of resources is the need to balance levels of taxation and community impacts with service demands and the achievement of goals.

In addition to the Council goal statements, there are operational values that guide how the City organization works toward goal achievement:

- **Regional Partnerships** – Kirkland encourages and participates in regional approaches to service delivery to the extent that a regional model produces efficiencies and cost savings, improves customer service and furthers Kirkland's interests beyond our boundaries.
- **Efficiency** – Kirkland is committed to providing public services in the most efficient manner possible and maximizing the public's return on their investment. We believe that a culture of continuous improvement is fundamental to our responsibility as good stewards of public funds.
- **Accountability** – The City of Kirkland is accountable to the community for the achievement of goals. To that end, meaningful performance measures will be developed for each goal area to track our progress toward the stated goals. Performance measures will be both quantitative and qualitative with a focus on outcomes. The City will continue to conduct a statistically valid citizen survey every two years to gather qualitative data about the citizen's level of satisfaction. An annual Performance Measure Report will be prepared for the public to report on our progress.
- **Community** – The City of Kirkland is one community composed of multiple neighborhoods. Achievement of Council goals will be respectful of neighborhood identity while supporting the needs and values of the community as a whole.

The City Council Goals are dynamic. They should be reviewed on an annual basis and updated or amended as needed to reflect citizen input as well as changes in the external environment and community demographics.

**K**irkland is an attractive, vibrant and inviting place to live, work and visit. Our lakefront community is a destination for residents, employees and visitors. Kirkland is a community with a small-town feel, retaining its sense of history, while adjusting gracefully to changes in the twenty-first century.

## NEIGHBORHOODS

The citizens of Kirkland experience a high quality of life in their neighborhoods.

**Council Goal: Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.**

## PUBLIC SAFETY

Ensure that all those who live, work and play in Kirkland are safe.

**Council Goal: Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.**

## HUMAN SERVICES

Kirkland is a diverse and inclusive community that respects and welcomes everyone and is concerned for the welfare of all.

**Council Goal: To support a regional coordinated system of human services designed to meet the basic needs of our community and remove barriers to opportunity.**

## BALANCED TRANSPORTATION

Kirkland values an integrated multi-modal system of transportation choices.

**Council Goal: To reduce reliance on single occupancy vehicles and improve connectivity and multi-modal mobility in Kirkland in ways that maintain and enhance travel times, safety, health and transportation choices.**

## PARKS, OPEN SPACES AND RECREATIONAL SERVICES

Kirkland values an exceptional park, natural areas and recreation system that provides a wide variety of opportunities aimed at promoting the community's health and enjoyment.

**Council Goal: To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well being of the community.**

## HOUSING

The City's housing stock meets the needs of a diverse community by providing a wide range of types, styles, sizes and affordability.

**Council Goal: To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs.**

## FINANCIAL STABILITY

Citizens of Kirkland enjoy high-quality services that meet the community's priorities.

**Council Goal: Provide a sustainable level of core services that are funded from predictable revenue.**

## ENVIRONMENT

We are committed to the protection of the natural environment through an integrated natural resource management system.

**Council Goal: To protect and enhance our natural environment for current residents and future generations.**

## ECONOMIC DEVELOPMENT

Kirkland has a diverse, business-friendly economy that supports the community's needs.

**Council Goal: To attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.**

## DEPENDABLE INFRASTRUCTURE

Kirkland has a well-maintained and sustainable infrastructure that meets the functional needs of the community.

**Council Goal: To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.**

# ***KIRKLAND'S CITY MANAGEMENT***

City departments are involved in a number of long-range planning efforts to assure that community growth supports the balance of livability and prosperity. Financial planning occurs as an integral part of operating department initiatives. Examples of some of the more important planning tools that contribute to the City's financial strength are:

- **Fiscal Policies** which are adopted by the City Council and provide guidance in the areas of budgeting, capital improvements, reserves, debt, cash management and investments and financial reporting.
- **Investment Policies** that dictate the manner in which excess funds will be invested.
- The **Six-Year Capital Improvement Program (CIP)** which provides a long-term plan for building, enhancing, and maintaining the City's infrastructure. The CIP, which includes a financing plan and is adopted biennially, reflects other major capital plans including the Six-Year Transportation Improvement Plan, the Comprehensive Sanitary Sewer Plan, the Surface Water Management Master Plan, and the Water Distribution Master Plan.

**Kirkland's Comprehensive Plan** is updated annually. As required by the Growth Management Act (GMA), the 10 year major update process was completed in 2002 and 2003 to update Kirkland's vision statement and Comprehensive Plan. The next update is planned for 2013.

Among the several elements included in the Comprehensive Plan as required by the GMA, a **Capital Facilities Element** is completed in coordination with the Six-Year CIP. A **Transportation Element** identifies needed transportation improvements, and an **Economic Development Element** was completed in 1998 that links community economic health with land use and growth policies.

Other master planning efforts, such as the **Fire Strategic Plan, Police Strategic Plan, Neighborhood Plans,** and **Kirkland's Comprehensive Park, Open Space and Recreation Plan** provide further examples of Kirkland's efforts to respond to the changing needs of the community through careful planning and community involvement.

The City's mission statement and basic values summarize the qualities that are an integral part of its management efforts:

*We are committed to the enhancement of Kirkland as a community for living, working, and leisure with an excellent quality of life, which preserves the City's existing charm and natural amenities.*

*Basic Values*

*Integrity*

*Excellence*

*Respect for the Individual*

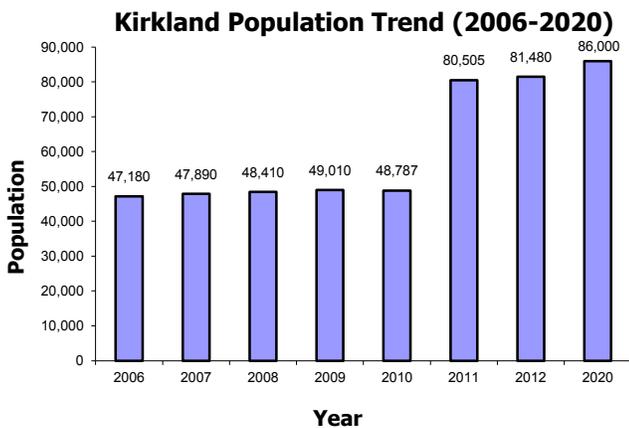
*Responsiveness*

**CITY OF KIRKLAND**

***ECONOMIC ENVIRONMENT***

**POPULATION**

Following the annexation of South Juanita, North Rose Hill and South Rose Hill in 1988, population growth has generally been modest, but steady. In 2011, the City annexed Finn Hill, Kingsgate, and Juanita increasing the population by 31,816. The following chart presents actual population data for the past seven years and projection for 2020.



**EMPLOYMENT BASE**

A diverse range of businesses comprise Kirkland’s employment base. Key factors contributing to Kirkland’s attraction include the following:

- High quality of life, housing, and local amenities.
- Availability of high quality human resources.
- Proximity to other major business centers.
- Availability of high quality office space.

Approximately 31,250 individuals are employed within the City limits. The following table presents the City’s top 10 employers as of fourth quarter 2012.

**Kirkland’s Major Employers**

| Employer                           | # Persons Employed |
|------------------------------------|--------------------|
| Evergreen Healthcare               | 2,603              |
| Lake Washington School District    | 976                |
| Google, Inc                        | 658                |
| City of Kirkland                   | 575                |
| Kenworth Truck Company             | 439                |
| Costco Wholesale                   | 302                |
| Evergreen Pharmaceutical, LLC      | 269                |
| Isoftstone Inc                     | 265                |
| IBM Corporation                    | 256                |
| Waste Management of Washington Inc | 250                |

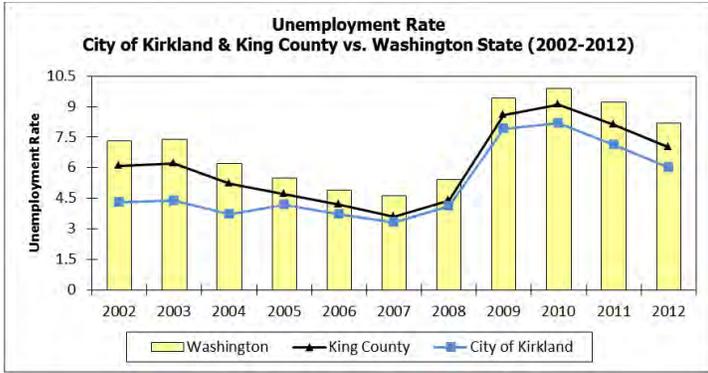
**UNEMPLOYMENT RATE**

Unemployment rates in King County generally run parallel to state and national rates but at a lower level. Since 2004, King County’s unemployment rate has been consistently below the national rate. The City of Kirkland unemployment rate consistently runs below the national, Washington State, and King County rates. The following table and chart provide comparative unemployment rate data for the past 11 years.

**Unemployment Rates<sup>1</sup>**

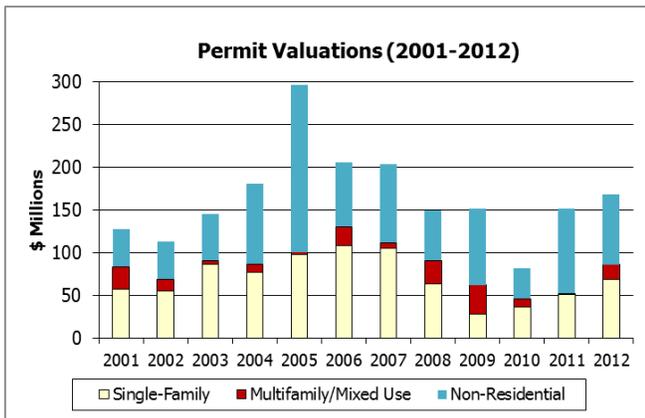
| Year | Kirkland | King County | Washington State | United States |
|------|----------|-------------|------------------|---------------|
| 2002 | 4.3      | 6.1         | 7.3              | 5.8           |
| 2003 | 4.4      | 6.2         | 7.4              | 6             |
| 2004 | 3.7      | 5.2         | 6.2              | 5.5           |
| 2005 | 4.2      | 4.7         | 5.5              | 5.1           |
| 2006 | 3.7      | 4.2         | 4.9              | 4.6           |
| 2007 | 3.3      | 3.6         | 4.6              | 4.6           |
| 2008 | 4.1      | 4.4         | 5.4              | 5.8           |
| 2009 | 7.9      | 8.6         | 9.4              | 9.3           |
| 2010 | 8.2      | 9.1         | 9.9              | 9.6           |
| 2011 | 7.1      | 8.1         | 9.2              | 8.9           |
| 2012 | 6.0      | 7.0         | 8.2              | 8.1           |

<sup>1</sup> Per the U.S. Bureau of Labor Statistics.



## BUILDING ACTIVITY

Kirkland's building activity has mirrored regional and national building trends over the past decade plus. The following chart illustrates Kirkland's trends since 2001. Construction activity ballooned in 2005 and remained strong during the building boom of the pre-recession 2000's. Single-family building permits dropped sharply after the housing bubble burst in 2007, and overall development fell to pre-2004 levels for 2008-09. In 2010 Kirkland saw another sharp drop in overall building valuations. In 2011, Kirkland recorded rising permit valuations the non-residential and single-family sectors and 2012 data show a continued post-recession rebound with increases in single family and multifamily/mixed use permits.



## Permit Valuation in 000's of Dollars

| Year | Single Family | Multi-Family / Mixed Use | Non Residential | Total   |
|------|---------------|--------------------------|-----------------|---------|
| 2001 | 57,922        | 25,917                   | 44,090          | 127,929 |
| 2002 | 55,190        | 14,095                   | 44,238          | 113,523 |
| 2003 | 87,048        | 4,240                    | 54,541          | 145,829 |
| 2004 | 77,401        | 9,774                    | 94,527          | 181,702 |
| 2005 | 98,192        | 2,858                    | 195,805         | 296,855 |
| 2006 | 108,539       | 22,001                   | 75,375          | 205,915 |
| 2007 | 105,031       | 7,229                    | 92,033          | 204,293 |
| 2008 | 63,229        | 27,793                   | 58,843          | 149,865 |
| 2009 | 28,546        | 33,906                   | 89,241          | 151,693 |
| 2010 | 36,883        | 9,200                    | 35,900          | 81,983  |
| 2011 | 50,812        | 1,738                    | 98,872          | 151,422 |
| 2012 | 68,682        | 17,902                   | 81,558          | 168,142 |

\* Based on building permits issued by the City of Kirkland Building Division.

## OTHER ECONOMIC INDICATORS

### Office Vacancies

- According to CB Richard Ellis Real Estate Services, the Eastside office vacancy rate dropped to a four year low of 15.4 percent in the fourth quarter of 2012, compared to 15.5 percent for the fourth quarter in 2011. Kirkland's office vacancy rate did increase from 2011 to 2012, but the city has outperformed the Eastside average in both 2011 and 2012, with 2011 vacancy of 7.9 percent and 2012 vacancy of 8.2 percent.

### Housing Values

- Kirkland home values trended up in 2012, rising 13.6 percent from December 2011 to December 2012 according to Zillow.com.

### Inflation

- The Seattle metro Consumer Price Index (CPI), a measure of price inflation for goods and services, fluctuated throughout the year, averaging 2.66 percent. Seattle area inflation slowed down toward the end of the year, with the December 2012 CPI at 1.4 percent. The national CPI was 1.7 percent in December 2012 and averaged 2.12 percent for the year.



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# BUDGET GUIDE

A user's guide to understanding Kirkland's budget document



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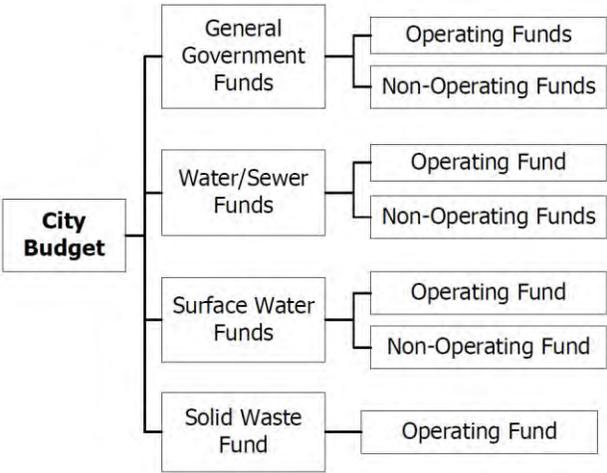
# ***GUIDE TO BUDGET FUND STRUCTURE***

The City Budget is composed of 24\* separate funds that are each balanced independently – revenues **equal expenditures**. **The City’s budget is divided into** four primary sections – General Government, Water/Sewer Utility, Surface Water Utility and Solid Waste Utility. Within each of these primary sections there are operating and non-operating funds, with the exception of the Solid Waste Utility which is comprised of an operating fund only.

The general government operating funds include the General Fund, five special revenue funds, and four internal service funds. General government operating funds account for services to the public including public safety, street maintenance, land use, parks and administrative functions. Taxes, fees and charges, and contributions from other governments are the primary finance sources for general government functions. The general government non-operating funds account for debt service, capital improvements and reserves related to these operating funds.

Like the general government funds, the Water/Sewer Utility and the Surface Water Utility both have operating and non-operating components. The Solid Waste Utility consists of only an operating fund. All utility operating funds account for the cost of providing and maintaining services to its customers. Distinct from the general government funds, each of the utilities operate much the same as a business (enterprise), with customer charges (rates) supporting all costs. Resources of the utilities cannot be used to subsidize general government functions.

The budget document is presented in a manner that acknowledges these components as shown on the following chart.

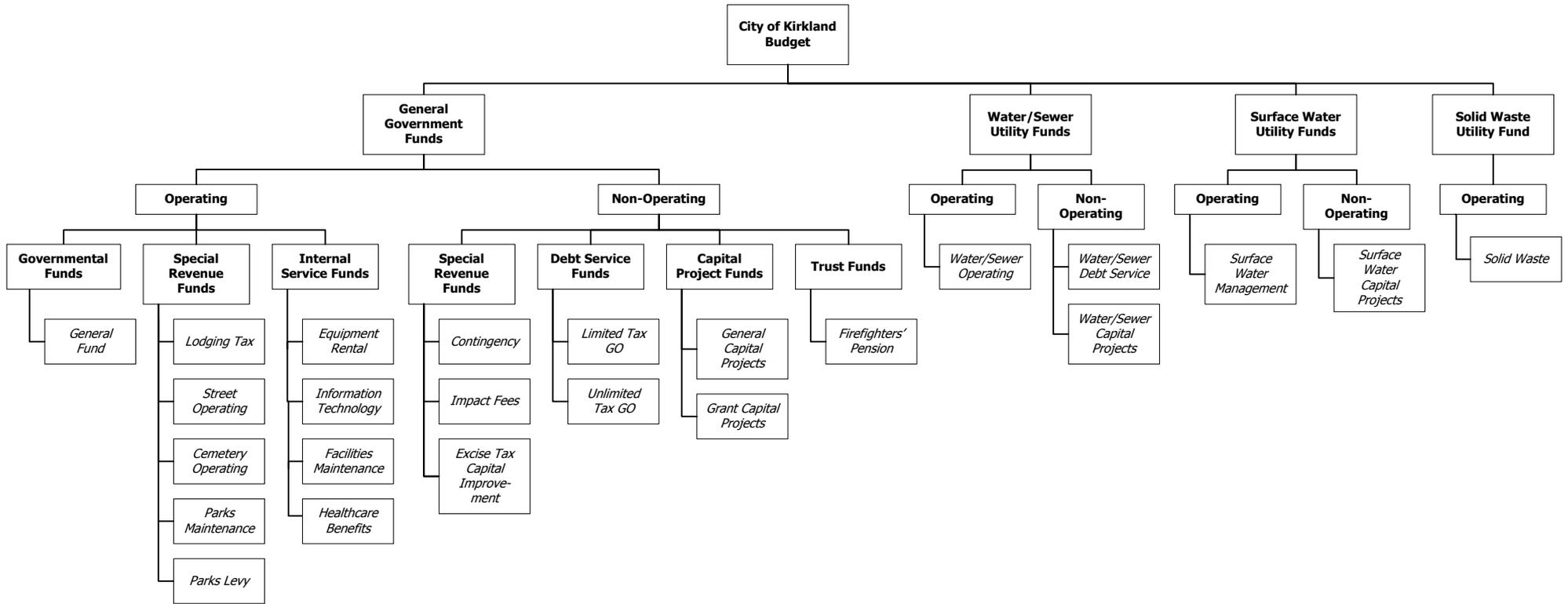


The chart on the following page illustrates the organization of funds in greater detail.

\*The following funds were closed as of December 31, 2010 to be in compliance with the Governmental Accounting Standards Boards new guidelines (GASB Statement 54) and to simplify the fund structure:

- Recreation Revolving Fund 126
- Park and Municipal Reserve Fund 157
- Tour Dock Fund 159
- Street Improvement Fund 170
- Off-Street Parking Reserve Fund 158
- Cemetery Improvement Fund 154
- Grant Control Fund 188

# CITY OF KIRKLAND Organization of Funds



# ***BUDGETING, ACCOUNTING AND REPORTING BASIS***

The City's financial structure is consistent with Washington State's required Budgeting, Accounting, and Reporting System (BARS). This system provides for a uniform chart of accounts and procedures for all Washington local governments. While each agency has minor differences, this system provides useful comparative data to the state regarding local spending.

## **BUDGETARY BASIS**

**Budget projections for revenues and expenditures are prepared on a cash basis.** Cash basis of accounting means that transactions are recognized at the point when cash is received or paid. This method matches the cash projected to be available to the cash projected for necessary payments.

**Revenues are prepared at the "line-item" or source-of-revenue level** (e.g., gas utility tax, amusement license, plumbing permit, etc.). General government operating revenues are summarized by revenue type (e.g., taxes, licenses and permits, charges for services, etc.) and across funds. Major revenue sources and trends are highlighted in the Budget Summary section.

**Expenditure budgets, like revenues, are prepared at the "line-item" or object-of-expense level** (e.g., regular wages, uniforms and clothing, office supplies, professional services, etc.). Summary totals are provided for "object groups" (e.g., wages, benefits, supplies, capital outlay etc.). Subtotals are provided by organizational units (divisions) within each department which represent costs by function. The financial overview page contained within each department section provides summary level financial data with data for comparative bienniums.

Non-operating fund expenditures are presented at the "by purpose" level (reserve, debt service, capital improvement and other).

## **ACCOUNTING AND REPORTING BASIS**

**The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental units.** Generally Accepted Accounting Principles are minimum standards and guidelines for financial accounting and reporting. Reporting in accordance with GAAP assures that financial reports of all state and local governments contain the same types of financial statements and disclosures, for the same categories and types of funds and account groups, based on the same measurement and classification criteria.

**Governmental funds use the modified-accrual basis of accounting.** Under this basis, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be reasonably determined. "Available" means collectible within the current fiscal year or soon thereafter to pay for expenditures incurred during the fiscal year. Expenditures are recognized when the related obligations (goods have been purchased or services have been received) are incurred (two exceptions are employee leave benefits and long-term debt which are recognized when due).

**Proprietary operations of the City - enterprise and internal service functions - use the accrual basis of accounting.** Under this method, revenues are recorded when earned (e.g., revenues for water/sewer utility services are recognized when the services are provided) and expenses are recorded at the time obligations are incurred. This method is similar to private business enterprises.

# ***BUDGET PROCESS***

## **BUDGET PREPARATION PROCESS**

Kirkland follows a biennial budget process. State law requires that the first year of a biennial budget be an odd numbered year. Accordingly, the preparation of the biennial budget occurs during an even numbered year, beginning in June and continuing through the end of the year. The following are key steps that the City takes to prepare its budget. (See the next page for a diagram of this process.)

1. The City Council holds its mid-year budget review meeting in June and receives a status report on the current biennial budget and an updated six-year financial forecast, with an emphasis on the coming biennium. In addition, the City Manager requests input from the City Council about budget priorities and overall direction.
2. In July, the Finance & Administration (F&A) Director makes the **official "budget call" to all department directors** requesting expenditure and revenue estimates for the current year and the coming two years.
3. The F&A Department prepares all general purpose revenue estimates, which mostly consist of taxes, state shared revenues and entitlements, and intergovernmental service revenues, during the first half of August. In addition, the F&A Department receives and reviews all departmental revenue estimates during the same time period. All departmental expenditure estimates for the current year and "basic budget" requests for the coming biennium, which represent the estimated cost of maintaining the current service level, are received and reviewed by the F&A Department during the second half of August.
4. In late August, the F&A Director, City Manager and Deputy City Manager meet with each department to review their basic budget requests.
5. In early September, departments submit additional funding requests (**called "service packages"**) for new positions, equipment, and projects which are over and above their basic budgets. The F&A Department reviews all service package requests by mid-September. In years when funding is limited, departments may also be asked to submit proposed expenditure reductions.
6. In mid-September, the City Manager meets with each department to review their basic budget and service package requests. In addition, the City holds a public hearing in mid-September to gather citizen input on proposed revenue sources for the coming biennium.
7. The City Manager finalizes the preliminary budget proposal, which includes recommended service packages and reductions (if any), by the end of September. In early October, the City Manager and F&A Director brief the Council Finance Committee on the preliminary budget proposal.
8. In October, the F&A Department prepares and prints the preliminary budget document for the coming biennium. By November 1st, the preliminary budget document is filed with the City Clerk, distributed to the City Council and the departments, and made available to the public.
9. The City Council meets in November for a series of budget study sessions to review the City **Manager's proposed budget and to determine if there are any changes** they wish to make.
10. The City holds a public hearing in mid-November to gather citizen input on the preliminary budget as well as on any changes made by the City Council during their budget deliberations.
11. In December, the City Council adopts the final property tax levy for the coming year and the final budget for the coming biennium each by ordinance via a simple majority of the members present. The appropriation approved by the City Council is at the individual fund level.

- The F&A Department publishes the final budget document during the first quarter of the following year, distributes the document to the City Council and the departments, and makes copies available to the public.

### BUDGET ADJUSTMENT PROCESS

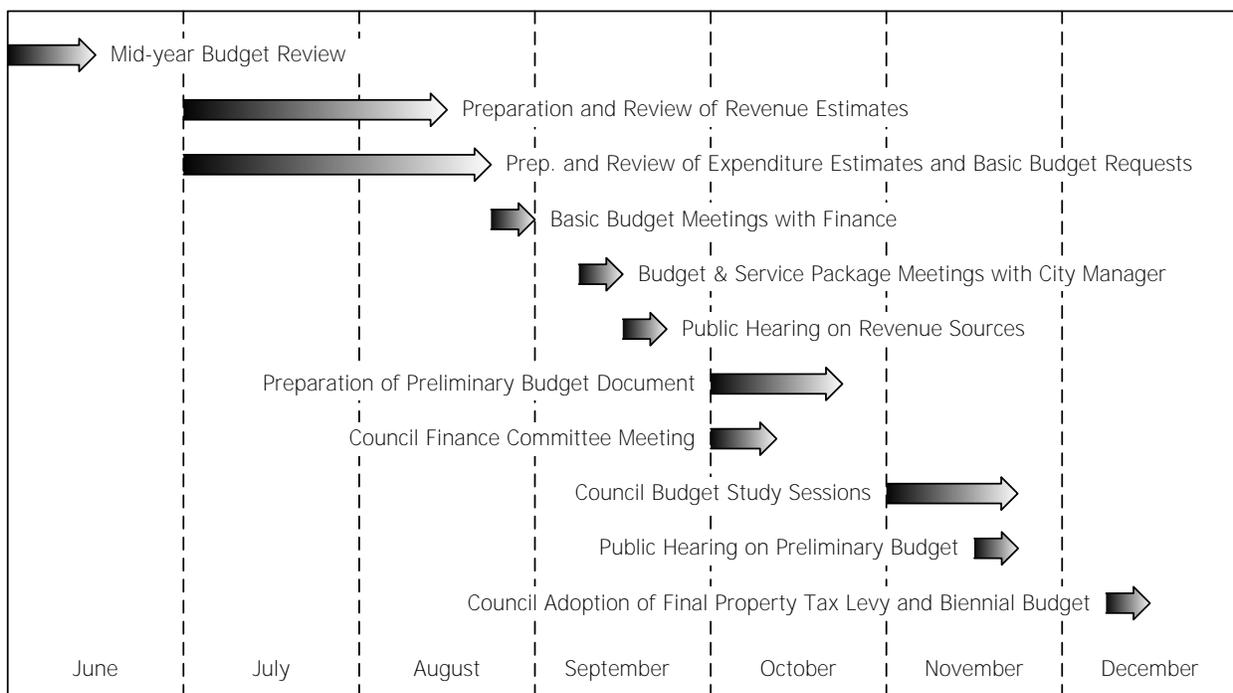
There are two types of adjustments related to the adopted budget: 1) transfers between line items or between departments within the same fund; and 2) changes to an individual fund's total appropriation. The former is handled administratively when needed with the approval of the F&A Director. The latter can take place at various times during the biennium and requires Council approval by ordinance.

The first opportunity to adjust a fund's total appropriation generally occurs in March of the first year of the biennium. Typically, this is when funding for projects and other significant purchases that were not completed during the prior biennium is "carried over" to the new biennium. The second opportunity takes place during the mid-biennial budget review which culminates in December of the first year of the biennium. This adjustment primarily relates to the following: 1) outside agency and new service package funding requests for the second year of the biennium; 2) any unanticipated needs, events, or revenue sources. The final opportunity to adjust a fund's total appropriation occurs at the end of the biennium in December. This is the last time that adjustments for unanticipated needs, events, and revenue sources can be recognized and approved. Also, this is when the General Fund's total appropriation is adjusted, if necessary, to provide the budgetary authority to transfer excess net resources to other funds in order to replenish or build-up reserves and to fund one-time service packages in the coming biennium. In addition to the three adjustment processes described above, other adjustments may occur during the biennium as needed.

The process for changing a fund's total appropriation is as follows:

- Requests for budget adjustments are submitted in writing to the F&A Director.
- If approved, requests are consolidated in an ordinance and presented to the City Council at a regular meeting at one of the three times noted above.
- The City Council approves adjustments to a fund's total appropriation for the biennium by a simple majority of the members present.
- Approved adjustments are incorporated into the existing biennial budget resulting in a revised appropriation for the current biennium.

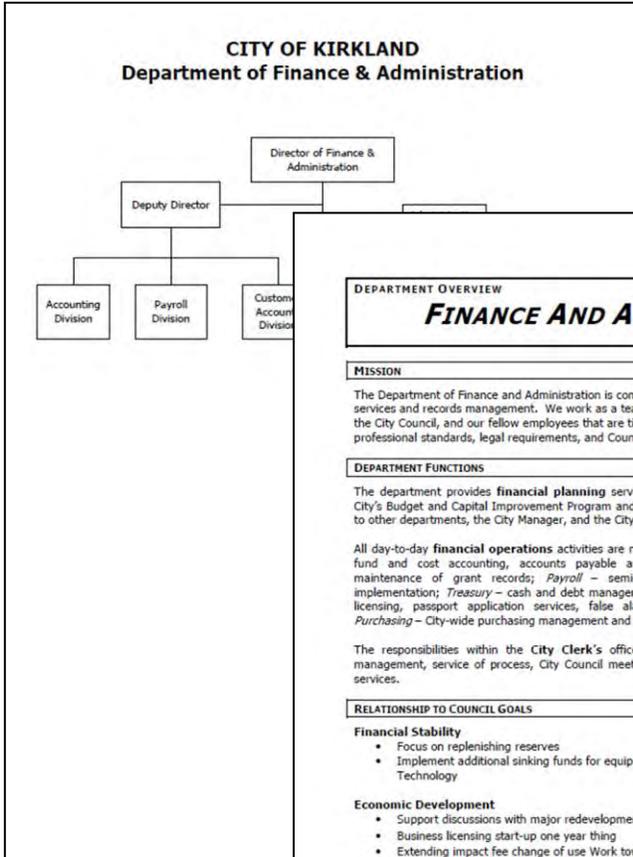
### BIENNIAL BUDGET PREPARATION TIMELINE



# GUIDE TO KIRKLAND'S BUDGET DOCUMENT

## OPERATING FUND AND DEPARTMENT SECTIONS

The following sections are organized by fund and department. Within each fund, organization charts, department overviews, budget analyses and financial overviews are provided for each department as well as detailed schedules of revenues. Line item expenditure detail reports are provided in an ancillary document titled, "Budget Line Item Detail."



The reporting relationships are delineated in each department section. Positions that are funded by a different fund are indicated by a double-lined box.

The mission and functional areas are described in each department's overview along with the relationship of the department's activities to Council goals and budget highlights for the coming biennium.

**DEPARTMENT OVERVIEW**

### FINANCE AND ADMINISTRATION

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**MISSION**

The Department of Finance and Administration is committed to excellence in the provision of financial services and records management. We work as a team to provide services and information to the public, the City Council, and our fellow employees that are timely, impartial, supportive, and consistent with professional standards, legal requirements, and Council policy.

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**DEPARTMENT FUNCTIONS**

The department provides **financial planning** services including coordination and preparation of the City's Budget and Capital Improvement Program and provision of financial planning and analysis support to other departments, the City Manager, and the City Council.

All day-to-day **financial operations** activities are maintained in the City's financial system. This includes fund and cost accounting, accounts payable and maintenance of grant records; *Payroll* – semi-implementation; *Treasury* – cash and debt management; *Licensing* – passport application services, false alarm; *Purchasing* – City-wide purchasing management and coordination.

The responsibilities within the **City Clerk's** office include: management, service of process, City Council meeting services.

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**RELATIONSHIP TO COUNCIL GOALS**

**Financial Stability**

- Focus on replenishing reserves
- Implement additional sinking funds for equipment and Technology

**Economic Development**

- Support discussions with major redevelopment
- Business licensing start-up one year thing
- Extending impact fee change of use Work town

**Infrastructure**

- CIP development and financing
- Pursue external funds for development of East

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**BUDGET HIGHLIGHTS**

**2013-2014 Reductions and Efficiencies**

- Rearrange workload and reclassifying positions resulting in savings in Finance and Administration - \$26,816
- Line item expense reductions to reflect efficiencies in Finance and Administration - \$26,816
- Ensure the Cemetery fund administrative costs

### 2013-2014 FINANCIAL OVERVIEW

#### FINANCE & ADMINISTRATION

|                     | 2009-2010        | 2011-2012        | 2011-2012        | 2013-2014        | Percent Change |
|---------------------|------------------|------------------|------------------|------------------|----------------|
|                     | Actual           | Estimate         | Budget           | Budget           |                |
| Salaries and Wages  | 4,103,151        | 4,411,101        | 4,627,303        | 4,532,002        | -2.04%         |
| Benefits            | 1,486,596        | 1,792,496        | 2,041,804        | 2,081,445        | 1.94%          |
| Supplies            | 25,176           | 35,280           | 32,080           | 28,536           | -13.06%        |
| Other Services      | 1,065,779        | 1,371,034        | 1,401,288        | 1,486,102        | 6.05%          |
| Government Services | 358,252          | 494,430          | 562,260          | 839,100          | 49.24%         |
| Capital Outlay      | -                | -                | -                | -                | n/a            |
| <b>TOTAL</b>        | <b>7,039,054</b> | <b>8,104,341</b> | <b>8,665,535</b> | <b>8,968,035</b> | <b>3.49%</b>   |

|                             | 2009-2010        | 2011-2012        | 2011-2012        | 2013-2014        | Percent Change |
|-----------------------------|------------------|------------------|------------------|------------------|----------------|
|                             | Actual           | Estimate         | Budget           | Budget           |                |
| Financial Planning & Admin. | 2,273,792        | 2,474,905        | 2,664,037        | 2,524,517        | -5.24%         |
| Treasury/Customer Services  | 1,728,102        | 2,135,236        | 2,259,919        | 2,325,443        | 2.90%          |
| Financial Operations        | 2,027,572        | 2,312,409        | 2,420,571        | 2,485,267        | 2.67%          |
| City Clerk                  | 1,009,588        | 1,181,791        | 1,321,008        | 1,632,808        | 23.60%         |
| <b>TOTAL</b>                | <b>7,039,054</b> | <b>8,104,341</b> | <b>8,665,535</b> | <b>8,968,035</b> | <b>3.49%</b>   |

|                             | 2009-2010    | 2011-2012   |              | 2013-2014   |              |
|-----------------------------|--------------|-------------|--------------|-------------|--------------|
|                             | Actual       | Adjustments | Budget       | Adjustments | Budget       |
| Financial Planning & Admin. | 6.25         | 1.75        | 8.00         | 0.00        | 8.00         |
| Treasury/Customer Services  | 11.75        | -1.25       | 10.50        | 0.00        | 10.50        |
| Financial Operations        | 8.60         | 1.90        | 10.50        | 0.00        | 10.50        |
| City Clerk                  | 3.80         | 0.00        | 3.80         | 0.00        | 3.80         |
| <b>TOTAL</b>                | <b>30.40</b> | <b>2.40</b> | <b>32.80</b> | <b>0.00</b> | <b>32.80</b> |

The Financial Overview contains financial summaries by category of expense and program area.

# GUIDE TO KIRKLAND'S BUDGET DOCUMENT

Revenue needed to support fund activities is presented in detail with summaries at the revenue category level. For each revenue item, data is presented for the prior biennium actual amount received, the total estimated for the current biennium, the current biennial budget, and the budgeted amount for the coming biennium.

| <b>City of Kirkland<br/>2013 - 2014 Budget<br/>Revenues</b> |                                 |                               |                                 |                               |                               |                           |
|---|---------------------------------|-------------------------------|---------------------------------|-------------------------------|-------------------------------|---------------------------|
|   |                                 | <b>2009 - 2010<br/>Actual</b> | <b>2011 - 2012<br/>Estimate</b> | <b>2011 - 2012<br/>Budget</b> | <b>2013 - 2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
| <b>Fund:</b>  | <b>General Fund (010)</b>       |                               |                                 |                               |                               |                           |
| <b>Department:</b>  | <b>General</b>                  |                               |                                 |                               |                               |                           |
| <b>Division:</b>  | <b>Not Applicable</b>           |                               |                                 |                               |                               |                           |
| <b>Key:</b>   | <b>General Fund (010000000)</b> |                               |                                 |                               |                               |                           |
| <b>Taxes</b>  |                                 |                               |                                 |                               |                               |                           |
| Property Tax-Real & Personal                                | 3111001                         | 19,406,680                    | 29,139,092                      | 29,311,574                    | 33,573,159                    | 14.53%                    |
| Property Tax-Fire Dist 41                                   | 3111003                         | 0                             | 1,872,041                       | 0                             | 0                             | 0.00%                     |
| Property Tax-Fire Dist 34 36                                | 3111004                         | 0                             | 441,120                         | 0                             | 0                             | 0.00%                     |
| Retail* SalesUse Tax  | 3131001                         | 24,161,815                    | 27,087,143                      | 26,857,909                    | 0                             | 0.00%                     |
| Retail Sales Use Tax  | 3131101                         | 0                             | 0                               | 0                             | 29,177,093                    | 0.00%                     |
| Annexation Sales Tax  | 3131201                         | 0                             | 4,503,687                       | 4,539,657                     | 6,831,252                     | 50.47%                    |
| Brokered* Nat Gas Use Tax                                   | 3136001                         | 1,343                         | 6,640                           | 0                             | 0                             | 0.00%                     |
| Brokered Nat Gas Use Tax                                    | 3136101                         | 0                             | 0                               | 0                             | 6,400                         | 0.00%                     |
| Crim Justice-Local Sales Tax                                | 3137101                         | 1,909,248                     | 2,776,055                       | 2,718,109                     | 3,301,260                     | 21.45%                    |
| Rev Generating Regulatory Lic                               | 3161001                         | 3,961,246                     | 4,650,734                       | 4,730,369                     | 4,679,290                     | -1.07%                    |
| Admissions *Tax   | 3162001                         | 219,263                       | 239,670                         | 216,000                       | 0                             | 0.00%                     |
| Electric Utility Tax-Private                                | 3164101                         | 5,446,852                     | 7,082,800                       | 7,303,604                     | 8,019,140                     | 9.79%                     |
| Gas Utility Tax-Private                                     | 3164301                         | 2,024,170                     | 2,798,711                       | 2,365,263                     | 3,324,982                     | 40.57%                    |
| Television Cable-Private                                    | 3164601                         | 1,834,263                     | 2,749,418                       | 2,314,257                     | 3,128,271                     | 35.17%                    |
| Telephone Utility Tax-Private                               | 3164701                         | 5,711,942                     | 5,516,220                       | 7,120,628                     | 5,806,793                     | -18.45%                   |
| Water Customer Utility Tax                                  | 3164811                         | 0                             | 0                               | 0                             | 2,524,566                     | 0.00%                     |
| Sewer Customer Utility Tax                                  | 3164812                         | 0                             | 0                               | 0                             | 2,422,103                     | 0.00%                     |
| Solid Waste Customer Util Tax                               | 3164813                         | 0                             | 0                               | 0                             | 2,908,321                     | 0.00%                     |
| Surface Water Cust Util Tax                                 | 3164814                         | 0                             | 0                               | 0                             | 1,264,133                     | 0.00%                     |
| Water *Customer Utility Tax                                 | 3167201                         | 1,779,704                     | 2,220,535                       | 2,338,062                     | 0                             | 0.00%                     |
| Sewage* Customer Utility Tax                                | 3167401                         | 1,833,089                     | 2,156,447                       | 2,155,954                     | 0                             | 0.00%                     |
| Garb*Solid Waste Cust Util Tax                              | 3167501                         | 1,650,459                     | 2,270,303                       | 2,250,949                     | 0                             | 0.00%                     |
| Surface*Water Cust Utility Tax                              | 3167801                         | 755,952                       | 1,111,913                       | 1,056,312                     | 0                             | 0.00%                     |
| Punch Boards and Pull Tabs                                  | 3168101                         | 0                             | 0                               | 0                             | 242,233                       | 0.00%                     |
| Bingo and Raffles   | 3168201                         | 0                             | 0                               | 0                             | 3,023                         | 0.00%                     |
| Amusement Games   | 3168301                         | 0                             | 0                               | 0                             | 2,408                         | 0.00%                     |
| Card Games  | 3168401                         | 0                             | 0                               | 0                             | 1,426,214                     | 0.00%                     |
| Leasehold Excise Tax  | 3172001                         | 125,676                       | 246,065                         | 120,000                       | 236,000                       | 96.66%                    |
| Enhanced *911 Access Lines                                  | 3174101                         | 226,499                       | 0                               | 0                             | 0                             | 0.00%                     |
| Punch *Boards and Pull Tabs                                 | 3175101                         | 348,214                       | 223,527                         | 280,000                       | 0                             | 0.00%                     |
| Bingo* and Raffles  | 3175201                         | 5,259                         | 6,458                           | 4,000                         | 0                             | 0.00%                     |
| Amusement* Games  | 3175301                         | 1,863                         | 2,165                           | 300                           | 0                             | 0.00%                     |
| Card *Games   | 3175401                         | 0                             | 775,035                         | 693,238                       | 0                             | 0.00%                     |
| Admissions Tax  | 3181101                         | 0                             | 0                               | 0                             | 221,000                       | 0.00%                     |
| Business *Tax Penalty Interest                              | 3196001                         | 9,470                         | 12,589                          | 4,200                         | 0                             | 0.00%                     |



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# FISCAL POLICIES



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# ***FISCAL POLICIES***

## **BACKGROUND AND PURPOSE**

The stewardship of public funds is one of the greatest responsibilities given to the officials and managers of the City of Kirkland. Therefore, the establishment and maintenance of wise fiscal policies enables city officials to protect public interests and ensure public trust.

This document incorporates past financial practices in defining the current policies to be used by the City to meet its obligations and operate in a financially prudent manner. These policies have been established to provide general fiscal guidelines and are intended to provide sound direction in the management of the City's financial affairs.

## **OPERATING BUDGET POLICIES**

The municipal budget is the central financial planning document that embodies all operating revenue and expenditure decisions. It establishes the level of services to be provided by each department within the confines of anticipated municipal revenues.

- The City Council will adopt a biennial budget which will reflect estimated revenues and expenditures for the ensuing two years. A mid-biennium review and update will take place as prescribed by law during the first year of the biennium.
- The City Council will establish municipal service levels and priorities for the ensuing two years prior to and during the development of the preliminary budget.
- The City Manager shall incorporate the Council's priorities in the formulation of the preliminary and final budget proposal.
- Adequate maintenance and replacement of the City's capital plant and equipment will be provided for in the biennial budget.
- The biennial budget will be balanced with resources in that biennium.

## **REVENUE AND EXPENDITURE POLICIES**

Annual revenues are conservatively estimated as a basis for preparation of the biennial budget and City service programs.

Expenditures approved by the City Council in the biennial budget define the City's spending limits for the upcoming biennium. Beyond legal requirements, the City will maintain an operating philosophy of cost control and responsible financial management.

- The City will maintain revenue and expenditure categories according to state statute and administrative regulation.
- Current revenues will be sufficient to support current expenditures.
- All revenue forecasts will be performed utilizing accepted analytical techniques.
- All fees for services shall be reviewed and adjusted (where necessary) at least every three years to ensure that rates are equitable and cover the total cost of service, or that percentage of total service cost deemed appropriate by the City.
- Revenues of a limited or indefinite term will be used for capital projects or one-time operating expenditures to ensure that no ongoing service program is lost when such revenues are reduced or discontinued.
- Grant applications to fund new service programs with state or federal funds will be reviewed by the City, as they become available, with due consideration being given to whether locally generated revenues will be required to support these programs when outside funding is no longer available.
- The City of Kirkland will establish and maintain Special Revenue Funds which will be used to account for proceeds from a substantial restricted or committed revenue source used to finance designated activities

which are required by statute, ordinance, resolution or executive order.

- Biennial expenditures will be maintained within the limitations of biennial revenues. The City will not use short-term borrowing to finance current operating needs without full financial analysis and prior approval of the City Council.
- In order to ensure the continuity of services, the City will budget no more sales tax revenue than was received in the prior year as a hedge against possible future economic events.
- Interest income revenue will be used to finance one-time capital or time-limited goods or services including debt service on councilmanic bond issues.
- All authorized positions will be budgeted for a full year (or biennium) unless specifically designated by the City Council as a partial-year position.
- In the event that budget reductions are needed in order to balance revenues and expenditures, the City Council will provide policy direction to staff as to the priority order and combination for using the following strategies:
  - Raise revenue
  - Reduce expenditures
  - Use reserves
- The use of reserves to balance the budget will only be used to address short term temporary revenue shortfalls and expenditure increases.
- The biennial budget will be formally amended by the City Council as needed to acknowledge unforeseen expenditures. All requests for funding will be analyzed by the Finance and Administration Department. The Council will be provided with a discussion of the legality and/or policy basis of the expenditure, the recommended funding source, an analysis of the fiscal impact and a review of all reserves and previously approved amendments since budget adoption.

- A request will not be approved at the same meeting at which it is introduced unless it is deemed an urgent community issue by a supermajority vote of the City Council. Requests made to Council outside of the formal budget adjustment process will be analyzed and presented to the Council for approval at the next regular Council meeting that allows sufficient time for staff to prepare an analysis and recommendation.

#### **ENTERPRISE FUND POLICIES**

The City will establish enterprise funds for City services when 1) the intent of the City is that all costs of providing the service should be financed primarily through user charges; and/or 2) the City Council determines that it is appropriate to conduct a periodic review of net income for capital maintenance, accountability, or other public policy purposes.

- Enterprise funds will be established for City-operated utility services.
- Enterprise fund expenditures will be established at a level sufficient to properly maintain the fund's infrastructure and provide for necessary capital development.
- Each enterprise fund will maintain an adequate rate structure to cover the costs of all operations, including maintenance, depreciation, capital and debt service requirements, reserves (as established by fiscal policy or bond covenant), and any other cost deemed necessary.
- Rates may be offset from available fund cash after requirements are met for cash flow and scheduled reserve contributions.
- Enterprise fund services will establish and maintain reserves for general contingency and capital purposes consistent with those maintained for general governmental services.
- Revenue bonds shall be issued only when projected operating revenues are insufficient for the enterprise's capital financing needs.
- The City will insure that net operating revenues of the enterprise constitute a minimum of 1.5 times the annual debt service requirements.

- The City will limit the maturities of all utility revenue bond issues to 30 years or less.

#### **CASH MANAGEMENT AND INVESTMENT POLICIES**

Careful financial control of the City's daily operations is an important part of Kirkland's overall fiscal management program. Achieving adequate cash management and investment control requires sound financial planning to ensure that sufficient revenues are available to meet the current expenditures of any one operating period. Once steps are taken to ensure that the City maintains a protected cash position in its daily operations, it is to the municipality's advantage to prudently invest idle funds until such time as they are required to make expenditures.

- The City's idle cash will be invested on a continuous basis in accordance with the City's adopted investment policies.
- The City will maintain a formal investment policy which is reviewed and endorsed by state and/or national professional organizations. The complete policy can be found in the appendix of this document.
- The City will invest all funds (in excess of current requirements) based upon the following order of priority: 1) legality; 2) liquidity; 3) safety; and 4) yield.
- Investments with City funds shall not be made for purposes of speculation.
- The City is prohibited from investing in derivative financial instruments for the City's managed investment portfolio.
- Proper security measures will be taken to safeguard investments. The City's designated banking institution will provide adequate collateral to insure City funds.
- The City's investment portfolio will be reviewed every three years by a qualified portfolio valuation service to assess the portfolio's degree of risk and compliance with the adopted investment policies.
- An analysis of the City's cash position will be prepared at regular intervals throughout the fiscal year.

- The City Council will be provided with quarterly reports on the City's investment strategy and performance.
- Sufficient cash shall be maintained to provide adequate funds for current operating expenditures.
- Where permitted, the City will pool its cash resources from various funds ("Treasurer's Cash") for investment purposes.
- Net investment income from Treasurer's Cash will be allocated in accordance with KMC 5.24.060 considering 1) average cash balance of the participating fund and 2) the minimum cash balance needs of each fund as determined by the Director of Finance and Administration. Net investment income is the amount of annual investment proceeds after an allocation of earned interest is made to certain funds as required by the State and Council-directed obligations are met for General Fund purposes.
- The City of Kirkland will select its official banking institution through a formal bidding process in order to provide the City with the most comprehensive, flexible, and cost-effective banking services available.

#### **ACCOUNTING, FINANCIAL REPORTING AND AUDITING POLICIES**

The City of Kirkland will establish and maintain a high standard of accounting practices. Accounting and budgetary systems will, at all times, conform to Generally Accepted Accounting Principles, the State of Washington Budgeting Accounting Reporting System (BARS) and local regulations.

- A comprehensive accounting system will be maintained to provide all financial information necessary to effectively operate the City.
- The City will meet the financial reporting standards set by the Governmental Accounting Standards Board.
- Full disclosure will be provided in all City financial reports and bond representations.
- An annual audit will be performed by the State Auditor's Office and include the issuance of a financial opinion.

## **RESERVE AND FUND BALANCE POLICIES**

Adequate fund balance and reserve levels are a necessary component of the City's overall financial management strategy and a key factor in external agencies' measurement of the City's financial strength.

Maintenance of fund balance for each accounting fund assures adequate resources for cash flow and to mitigate short-term effects of revenue shortages.

City and state regulations have been established to allow the City of Kirkland to create and maintain specific reserve funds. Prudent use of reserve funds enables the City to defray future costs, take advantage of matching funds, and beneficial (but limited) opportunities. Reserve funds provide the City with the ability to exercise flexible financial planning in developing future capital projects. Reserve funds are necessary to enable the City to deal with unforeseen emergencies or changes in condition.

- The City will establish minimum fund balance targets for each fund based on the cash flow requirements of the fund. The City will include all fund balances in the biennial budget.
- The minimum fund balance will be attained and maintained through expenditure management, revenue management and/or contributions from the General Fund.
- All expenditures drawn from reserve accounts shall require prior Council approval unless previously authorized by the City Council for expenditure in the biennial budget or otherwise provided for by City policies.

### *Reserve Purposes and Targets*

- A Contingency Reserve Fund shall be maintained in accordance with RCW 35A.33.145 to meet any municipal expense, the necessity or extent of which could not have been reasonably foreseen at the time of adopting the biennial budget. The target balance will be set at 80 percent of the statutory maximum of \$0.375 per \$1,000 of assessed valuation.

- The City will maintain a General Operating Reserve at an amount equivalent to five percent of the tax-supported general government budgets (General Fund, Street Operating Fund and Parks Maintenance Fund) for the second year of the biennium. The General Operating Reserve is available to address unforeseen revenue shortfalls or expenditure needs that occur during the current biennium.
- The City will maintain a Revenue Stabilization Reserve to address temporary revenue losses due to economic cycles or other time-limited causes. The Revenue Stabilization Reserve will be maintained at ten percent of selected General Fund revenue sources which, in the judgment of the Director of Finance and Administration, are subject to volatility. The Revenue Stabilization Reserve may be used in its entirety; however, replenishment will be a priority, consistent with adopted policies.
- The City will maintain a Council Special Project Reserve, which is available to the City Council to fund special one-time projects that were unforeseen at the time the budget was prepared. When the reserve is used, it is replenished from the General Fund year-end fund balance to a target balance of \$250,000.
- The City will maintain a General Capital Contingency to address unforeseen project expenditures or external revenue shortfalls in an amount equivalent to ten percent of the funded two-year CIP budget, less proprietary fund projects.
- In establishing targets for the reserves defined above, voted property tax levies will be excluded from the calculations, since the levies are not intended to burden the General Fund and are expected to absorb unexpected costs from levy proceeds.
- The City Manager may authorize the use of capital funding reserves up to an aggregate total of \$100,000 per year in increments not to exceed \$25,000. The City Manager will provide regular reports to the City Council at a regular Council meeting if this authorization is used. Capital funding reserves include: General Capital Contingency, Street Improvement Reserve,

REET Reserves, Impact Fee Reserves, Water/Sewer Capital Contingency, Water/Sewer Construction Reserve, Surface Water Capital Contingency, and Surface Water Construction Reserve.

- The City will maintain a Capital Improvement Project Grant Match Reserve as a means of assuring the availability of cash resources to leverage external funding when the opportunity arises. The reserve will be maintained in the Real Estate Excise Tax Capital Reserve Fund and maintained through excise tax revenue received over and above the annual allocation to the Capital Improvement Plan.
- The City will maintain a Building and Property Reserve with a minimum balance of \$600,000. This reserve is used for property purchases, building improvements and other property-related transactions. It can also be used as a general purpose reserve to fund Council-approved unanticipated expenditures.
- The City will maintain fully funded reserves for the replacement of vehicles and personal computers. Contributions will be made through assessments to the using funds and maintained on a per asset basis.
- Additional reserve accounts may be created to account for monies for future known expenditures, special projects, or other specific purposes.
- All reserves will be presented in the biennial budget.

#### *Reserve Replenishment*

- Reserve replenishments occur in two ways during periods of economic recovery:
  - Planned - A specific amount is included in the adopted budget, and
  - Unplanned - Ending fund balances are higher than budgeted, either due to higher than budgeted revenues or under-expenditures.
- Planned amounts are included as part of the adopted budget. Planned replenishments toward 80% of the target level shall be set to at least 1% of the General Fund adopted budget.

- Unplanned amounts available at the end of each biennium (if any) should help replenish to target faster. A high percentage (up to all) uncommitted funds available at the end of a biennium should be used for reserve replenishment until reserves meet 80% of target and the revenue stabilization reserve is at 100% of target. Some or all of those unplanned funds may be used in place of planned (budgeted) amounts in the following biennium to the extent it meets or exceeds the 1% budgeted amount.
- Once reserves reach 80% of target and revenue stabilization reserve is at 100%, funds may be used to meet other one time or on-going needs. Additional funds should be used to fund a variety of needs, based on the following process:
  - Set 50% of available cash toward reserves until they are at 100% of target.
  - The remaining 50% shall be available for one or more of the following needs, depending on the nature of the funds available (one-time or on-going) and in the following order of priority:
    - Fund liabilities related to sinking funds for public safety and information technology equipment,
    - Maintain current service levels,
    - Fund one-time projects or studies,
    - Increase funding for capital purposes,
    - Restore previous program service reductions,
    - Potential program and service enhancements.
- In terms of priority for replenishing the individual reserves, the following guidelines shall be used:
  - If the Council Special Projects reserve is below target, replenish to target at the start of each biennium.
  - If the revenue stabilization reserve is below target, prioritize replenishing the reserve.
  - To the extent cash is from volatile revenues above budgeted amounts,

those funds should be applied to revenue stabilization reserve first.

- If unplanned funds are available because planned reserve uses did not occur, those funds should be returned to the source reserve.
- The source of uncommitted funds should be taken into consideration (for example, interest earnings over budget could be applied to the capital contingency, since they are one of the designated sources for this reserve).
- The degree to which an individual reserve is below target (for example, the reserve that is furthest from its target level on a percentage basis might receive a larger share of the funds).
- Decisions on how replenishments are allocated to specific reserves will be based on where available funds came from and on each reserve's status at the time the decision is made.
- The replenishment policy will provide a mechanism whereby Council may take action to suspend replenishment policies if it was found that special conditions existed warranting such action.

#### **DEBT MANAGEMENT POLICIES**

The amount of debt issued by the City is an important factor in measuring its financial performance and condition. Proper use and management of borrowing can yield significant advantages. From a policy perspective, the City of Kirkland uses debt in two ways: (1) as a mechanism to equalize the costs of needed improvements to both present and future citizens; and (2) as a mechanism to reduce the immediate costs of substantial public improvements.

- The City will maintain a formal Debt Management Policy which is reviewed and endorsed by state and/or national professional organizations. The complete policy can be found in the appendix of this document.
- City Council approval is required prior to the issuance of debt.

- An analytical review shall be conducted prior to the issuance of debt.
- The City will continually strive to maintain its bond rating by improving financial policies, budget forecasts and the financial health of the City so its borrowing costs are minimized and its access to credit is preserved.
- All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt.
- The City of Kirkland will not use long-term debt to support current operations.
- Long-term borrowing will only be used for capital improvements that cannot be financed from current revenues.
- Non-capital furnishings, supplies, and personnel will not be financed from bond proceeds.
- Interest, operating and/or maintenance expenses will be capitalized only for enterprise activities; and will be strictly limited to those expenses incurred prior to actual operation of the facilities.
- The general obligation debt of Kirkland will not exceed an aggregated total of 7.5% of the assessed valuation of the taxable property within the City.
- The following individual percentages shall not be exceeded in any specific debt category:
  - General Debt -- 2.5% of assessed valuation
  - Non-Voted -- 1.5% Limited Tax General Obligation (LTGO) Bonds
  - Voted -- 1.0% Unlimited Tax General Obligation Bonds
  - Utility Debt -- 2.5% of assessed valuation
  - Open Space and Park Facilities -- 2.5% of assessed valuation
- **The City's policy is to plan and direct the use of debt so that debt service payments will be a predictable and manageable part of the Operating Budget.**

- Short-term borrowing will only be used to meet the immediate financing needs of a project for which long-term financing has been secured but not yet received.
- Assessment bonds will be considered in place of general obligation bonds, where possible, to assure the greatest degree of public equity.
- Limited Tax General Obligation (LTGO) bonds will be issued only if:
  - A project requires funding not available from alternative sources;
  - Matching fund monies are available which may be lost if not applied for in a timely manner; or
  - Emergency conditions exist.
- The issuance of bonds shall be financed for a period not to exceed a conservative estimate of the asset's useful life.
- General Obligation bonds will be issued with maturities of 30 years or less unless otherwise approved by Council.
- The maturity of all assessment bonds shall not exceed statutory limitations. RCW 36.83.050.
- The City will use refunding bonds, where appropriate, when restructuring its current outstanding debt.

biennium review and update will take place during the first year of the biennium.

- The City Council will designate annual ongoing funding levels for each of the major project categories within the Capital Improvement Program.
- Financial analysis of funding sources will be conducted for all proposed capital improvement projects.
- A Capital Improvement Budget will be developed and adopted by the City Council as part of the biennial budget and will be amended during the mid-biennial budget review process (during the first year of the biennium) to reflect any changes in the updated Capital Improvement Program.
- The Capital Improvement Program will be consistent with the Capital Facilities Element of the Comprehensive Plan.
- The City Manager may authorize the reallocation of CIP project funds between CIP projects within a CIP category up to \$50,000 per instance. Funding may only be reallocated within a CIP category (i.e. between Transportation projects, or Parks projects, or Public Safety projects, etc.) when one project is over budget and, in the same period, a second project within the same CIP category has been completed and is closing out under budget. The City Manager will provide regular reports to the City Council at a regular Council meeting if this authorization is used.

**CAPITAL IMPROVEMENT POLICIES**

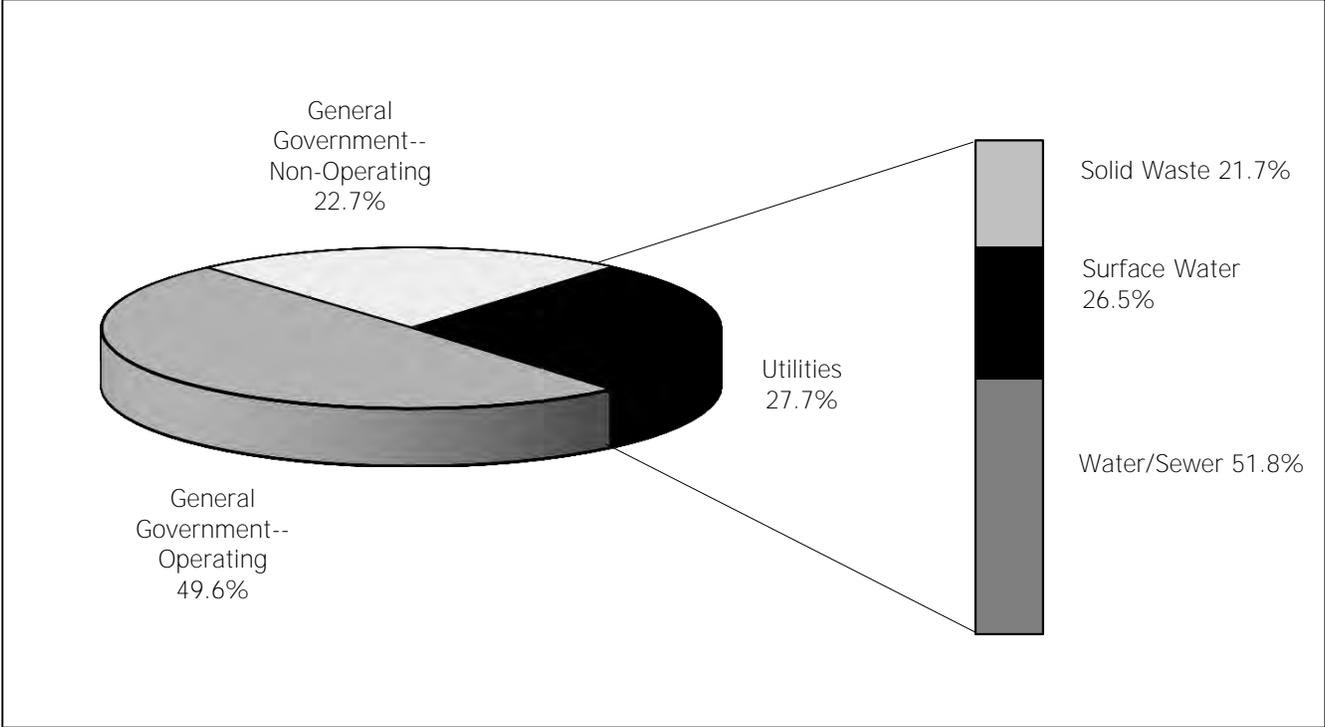
Kirkland's City government is accountable for a considerable investment in buildings, parks, roads, sewers, equipment and other capital investments. The preservation, maintenance, and future improvement of these facilities are a primary responsibility of the City. Planning and implementing sound capital improvement policies and programs today will help the City avoid emergencies and major costs in the future, therefore:

- The City will establish and implement a comprehensive multi-year Capital Improvement Program.
- The Capital Improvement Program will be prepared biennially concurrent with the development of the biennial budget. A mid-



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**CITY OF KIRKLAND**  
**2013-14 BUDGET**  
**\$543,708,911**



The City Budget is composed of General Government functions and the City's three Utilities which are operated as separate enterprises. Both the General Government and Utilities budgets have operating and non-operating components. The operating portion of the budget represents services to the public and support services within the organization. Non-operating budgets account for debt service, capital projects and reserves.

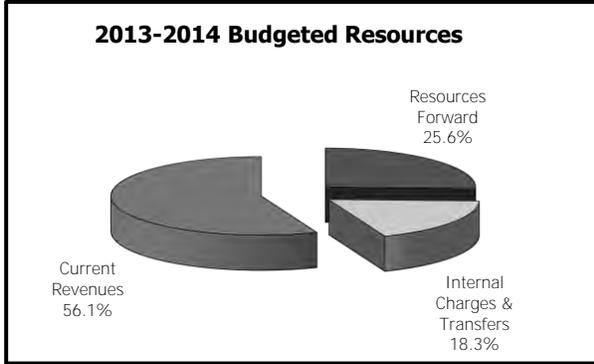


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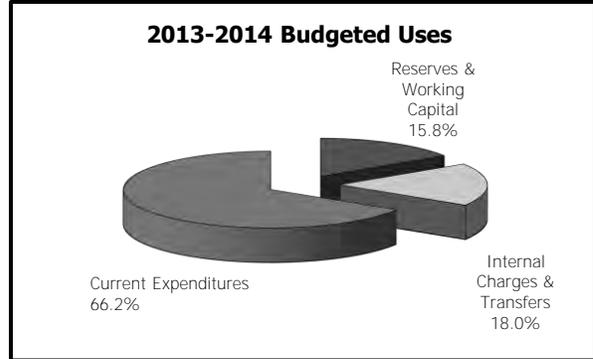
**CITY OF KIRKLAND**

***TOTAL RESOURCES & USES***

***WHERE THE MONEY COMES FROM***



***WHERE THE MONEY GOES***



|  |                             |
|--|-----------------------------|
| <b>Total Budgeted Resources</b>              | <b>\$543,708,911</b>        |
| <b>Less Resources Forward (Cash)</b>         | <b>(139,269,154)</b>        |
| <b>Less Internal Charges &amp; Transfers</b> | <b><u>(13,311,530)</u></b>  |
| <b>Current Revenues</b>                      | <b><u>\$391,128,227</u></b> |

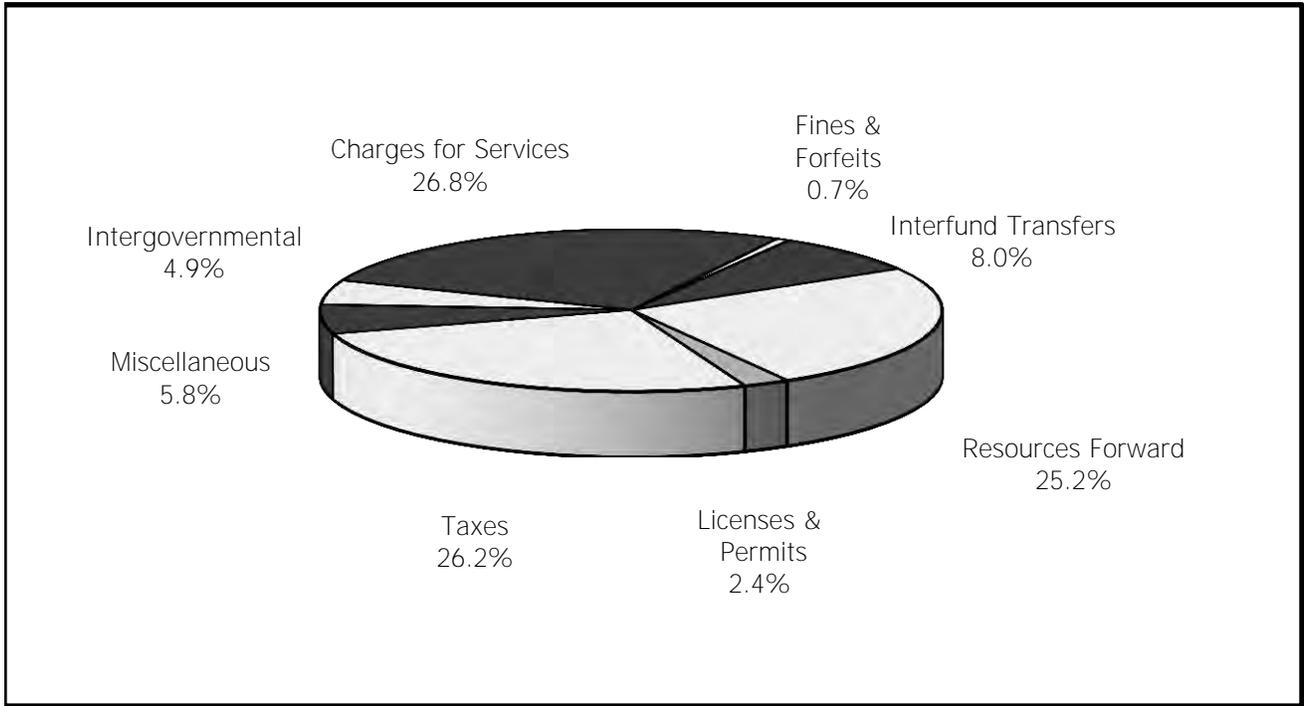
|  |                             |
|--|-----------------------------|
| <b>Total Budgeted Uses</b>                   | <b>\$543,708,911</b>        |
| <b>Less Reserves &amp; Working Capital</b>   | <b>(111,687,767)</b>        |
| <b>Less Internal Charges &amp; Transfers</b> | <b><u>(13,311,530)</u></b>  |
| <b>Current Expenditures</b>                  | <b><u>\$418,709,614</u></b> |

The total budget of \$543.7 million encompasses all resources and uses, including reserves, unreserved working capital, and internal transactions involving payments or transfers from one fund to another. Including these transactions in the budget provides a full accounting of the activities in each fund. However, they also have the effect of "grossing up" the total budget.

Current revenues reflect what the City expects to receive from external sources. Across all functions, about \$391.1 million is projected to be received during the next biennium, which is equivalent to the City's biennial income.

Current expenditures correspond to what the City plans to actually spend in terms of payments to employees, vendors, outside agencies, and other governments. About \$418.7 million is projected to be spent during the next biennium citywide. The \$27.6 million difference (current expenditures in excess of current revenues) primarily represents the planned use of the bond proceeds reserve to complete construction of the new Public Safety Building and expansion at the Maintenance Center.

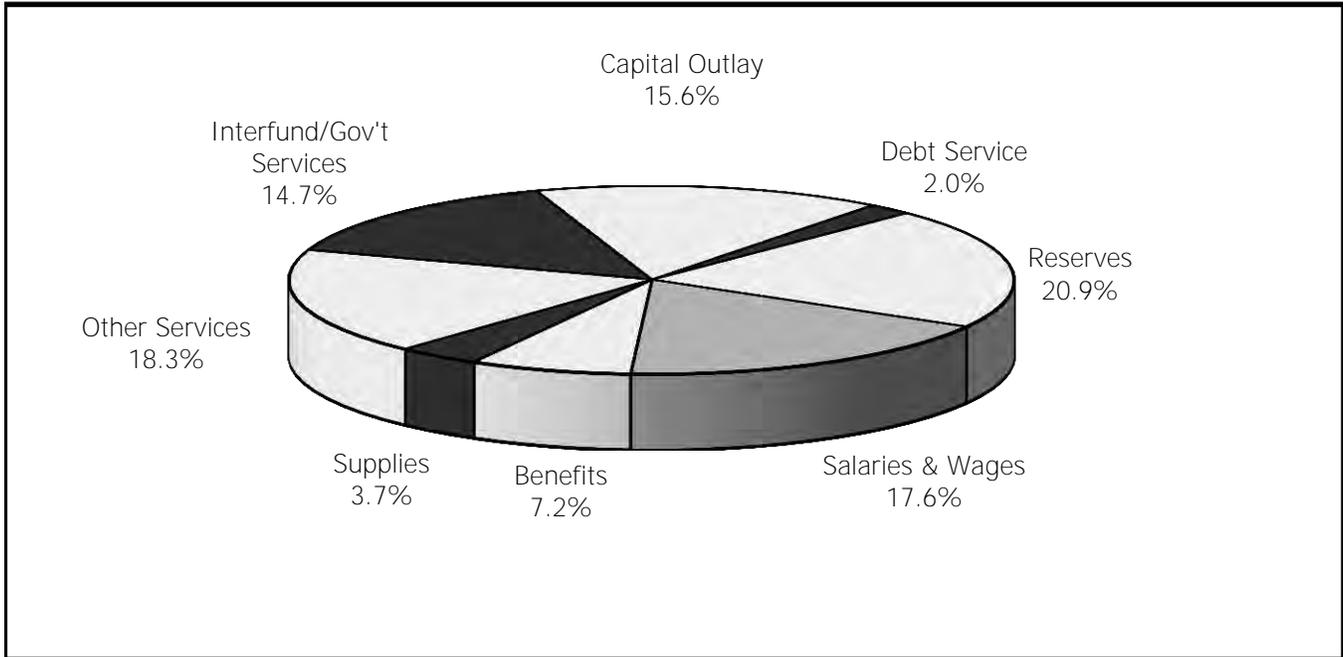
**CITY OF KIRKLAND  
TOTAL BUDGET  
2013-2014 REVENUE SUMMARY: BY REVENUE TYPE**



**Analysis of Change**

| Revenue Sources      | 2009-10 Actual     | 2011-12 Budget     | 2013-14 Budget     | Percent Change |
|----------------------|--------------------|--------------------|--------------------|----------------|
| Taxes                | 87,733,716         | 113,467,423        | 142,396,707        | 25.50%         |
| Licenses and Permits | 6,397,534          | 11,731,523         | 13,156,530         | 12.15%         |
| Intergovernmental    | 19,332,447         | 39,495,629         | 26,620,731         | -32.60%        |
| Charges for Services | 99,619,375         | 136,829,774        | 145,655,207        | 6.45%          |
| Fines and Forfeits   | 3,158,340          | 5,216,659          | 3,816,924          | -26.83%        |
| Miscellaneous        | 45,072,004         | 16,155,068         | 31,428,326         | 94.54%         |
| Interfund Transfers  | 37,623,090         | 35,104,147         | 43,453,459         | 23.78%         |
| Resources Forward    | 105,256,955        | 122,281,861        | 137,181,027        | 12.18%         |
| <b>Total</b>         | <b>404,193,461</b> | <b>480,282,084</b> | <b>543,708,911</b> | <b>13.21%</b>  |

**CITY OF KIRKLAND  
TOTAL BUDGET  
2013-2014 EXPENDITURE SUMMARY: BY CATEGORY**



**Analysis of Change**

| Category                             | 2009-10 Actual*    | 2011-12 Budget     | 2013-14 Budget     | Percent Change |
|--------------------------------------|--------------------|--------------------|--------------------|----------------|
| Salaries & Wages                     | 74,806,380         | 87,378,397         | 96,073,021         | 9.95%          |
| Benefits                             | 26,474,923         | 47,169,988         | 39,292,143         | -16.70%        |
| Supplies                             | 12,346,054         | 16,869,296         | 19,922,101         | 18.10%         |
| Other Services & Charges             | 61,062,623         | 74,145,773         | 99,441,832         | 34.12%         |
| Intergovernmental/Interfund Services | 55,232,755         | 63,209,988         | 79,866,068         | 26.35%         |
| Capital Outlay                       | 39,971,715         | 98,422,854         | 84,659,836         | -13.98%        |
| Debt Service                         | 7,879,048          | 11,173,047         | 10,903,640         | -2.41%         |
| Reserves                             | 72,683,314         | 81,912,741         | 113,550,270        | 38.62%         |
| <b>Category Total</b>                | <b>350,456,812</b> | <b>480,282,084</b> | <b>543,708,911</b> | <b>13.21%</b>  |

\*2009-10 reserves are budgeted, but not spent

**CITY OF KIRKLAND**  
**2013-2014 BUDGET OVERVIEW: BY FUND TYPE/FUND**  
**General Government Operating Funds**

| Fund  | 2011-12 Budget     | 2013-14 Budget     | Percent Change |
|---|--------------------|--------------------|----------------|
| <b><i>General Fund</i></b>                      |                    |                    |                |
| 010 General                                     | 161,361,264        | 171,626,838        | 6.36%          |
| <b><i>Special Revenue Funds</i></b>             |                    |                    |                |
| 112 Lodging Tax                                 | 537,249            | 690,652            | 28.55%         |
| 117 Street Operating                            | 14,716,526         | 20,167,286         | 37.04%         |
| 122 Cemetery Operating                          | 762,492            | 816,308            | 7.06%          |
| 125 Parks Maintenance                           | 2,588,335          | 3,060,649          | 18.25%         |
| 128 Parks Levy Fund                             | 0                  | 5,006,077          | N/A            |
| <b>Total Special Revenue Funds</b>              | <b>18,604,602</b>  | <b>29,740,972</b>  | <b>59.86%</b>  |
| <b><i>Internal Service Funds</i></b>            |                    |                    |                |
| 511 Health Benefits Fund                        | 15,735,691         | 24,617,930         | 56.45%         |
| 521 Equipment Rental                            | 19,155,624         | 19,090,357         | -0.34%         |
| 522 Information Technology                      | 11,460,982         | 12,061,934         | 5.24%          |
| 527 Facilities Maintenance                      | 10,769,943         | 12,771,400         | 18.58%         |
| <b>Total Internal Service Funds</b>             | <b>57,122,240</b>  | <b>68,541,621</b>  | <b>19.99%</b>  |
| <b>Total General Government Operating Funds</b> | <b>237,088,106</b> | <b>269,909,431</b> | <b>13.84%</b>  |

**General Government Non-Operating Funds**

| Fund                                 | 2011-12 Budget    | 2013-14 Budget    | Percent Change |
|--------------------------------------|-------------------|-------------------|----------------|
| <b><i>Special Revenue Funds</i></b>  |                   |                   |                |
| 152 Contingency                      | 2,246,510         | 2,296,510         | 2.23%          |
| 156 Impact Fees                      | 1,971,968         | 3,111,739         | 57.80%         |
| 190 Excise Tax Capital Improvement   | 12,866,748        | 12,597,175        | -2.10%         |
| <b>Total Special Revenue Funds</b>   | <b>17,085,226</b> | <b>18,005,424</b> | <b>5.39%</b>   |
| <b><i>Debt Service Funds</i></b>     |                   |                   |                |
| 210 LTGO Debt Service                | 11,370,553        | 7,719,330         | -32.11%        |
| 220 UTGO Debt Service                | 2,144,487         | 1,770,853         | -17.42%        |
| <b>Total Debt Service Funds</b>      | <b>13,515,040</b> | <b>9,490,183</b>  | <b>-29.78%</b> |
| <b><i>Capital Projects Funds</i></b> |                   |                   |                |
| 310 General Capital Projects         | 52,653,591        | 54,759,348        | 4.00%          |
| 320 Transportation Capital Projects  | 32,914,691        | 39,416,383        | 19.75%         |
| <b>Total Capital Projects Funds</b>  | <b>85,568,282</b> | <b>94,175,731</b> | <b>10.06%</b>  |

**CITY OF KIRKLAND**  
**2013-2014 BUDGET OVERVIEW: BY FUND TYPE/FUND**  
**General Government Non-Operating Funds (Continued)**

| Fund   | 2011-12 Budget     | 2013-14 Budget     | Percent Change |
|--|--------------------|--------------------|----------------|
| <b><i>Trust Funds</i></b>                    |                    |                    |                |
| 620 Firefighter's Pension                    | 1,767,099          | 1,921,858          | 8.76%          |
| <b>Total Trust Funds</b>                     | <b>1,767,099</b>   | <b>1,921,858</b>   | <b>8.76%</b>   |
| <b>Total General Government Non-Op Funds</b> | <b>117,935,647</b> | <b>123,593,196</b> | <b>4.80%</b>   |

**Water/Sewer Utility Funds**

| Fund                                   | 2011-12 Budget    | 2013-14 Budget    | Percent Change |
|--|-------------------|-------------------|----------------|
| <b><i>Operating Fund</i></b>           |                   |                   |                |
| 411 Water/Sewer Operating              | 45,948,241        | 52,829,481        | 14.98%         |
| <b>Total Operating Fund</b>            | <b>45,948,241</b> | <b>52,829,481</b> | <b>14.98%</b>  |
| <b><i>Non-Operating Funds</i></b>      |                   |                   |                |
| 412 Water/Sewer Debt Service           | 2,962,187         | 2,567,358         | -13.33%        |
| 413 Utility Capital Projects           | 18,054,238        | 22,415,061        | 24.15%         |
| <b>Total Non-Operating Funds</b>       | <b>21,016,425</b> | <b>24,982,419</b> | <b>18.87%</b>  |
| <b>Total Water/Sewer Utility Funds</b> | <b>66,964,666</b> | <b>77,811,900</b> | <b>16.20%</b>  |

**CITY OF KIRKLAND  
2013-2014 BUDGET OVERVIEW: BY FUND TYPE/FUND**

**Surface Water Utility Funds**

| Fund                                     | 2011-12 Budget    | 2013-14 Budget    | Percent Change |
|--|-------------------|-------------------|----------------|
| <b><i>Operating Fund</i></b>             |                   |                   |                |
| 421 Surface Water Management             | 18,440,239        | 21,444,357        | 16.29%         |
| <b>Total Operating Fund</b>              | <b>18,440,239</b> | <b>21,444,357</b> | <b>16.29%</b>  |
| <b><i>Non-Operating Fund</i></b>         |                   |                   |                |
| 423 Surface Water Capital Projects       | 14,750,925        | 18,315,303        | 24.16%         |
| <b>Total Non-Operating Funds</b>         | <b>14,750,925</b> | <b>18,315,303</b> | <b>24.16%</b>  |
| <b>Total Surface Water Utility Funds</b> | <b>33,191,164</b> | <b>39,759,660</b> | <b>19.79%</b>  |

**Solid Waste Utility Fund**

| Fund                                  | 2011-12 Budget    | 2013-14 Budget    | Percent Change |
|---------------------------------------|-------------------|-------------------|----------------|
| <b><i>Operating Fund</i></b>          |                   |                   |                |
| 431 Solid Waste Utility               | 25,102,501        | 32,634,724        | 30.01%         |
| <b>Total Operating Fund</b>           | <b>25,102,501</b> | <b>32,634,724</b> | <b>30.01%</b>  |
| <b>Total Solid Waste Utility Fund</b> | <b>25,102,501</b> | <b>32,634,724</b> | <b>30.01%</b>  |

|                        |                    |                    |               |
|------------------------|--------------------|--------------------|---------------|
| <b>TOTAL ALL FUNDS</b> | <b>480,282,084</b> | <b>543,708,911</b> | <b>13.21%</b> |
|------------------------|--------------------|--------------------|---------------|

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# REVENUE

A guide to major revenue sources and trends



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# REVENUE TRENDS & ASSUMPTIONS

## TAXES

### PROPERTY TAX

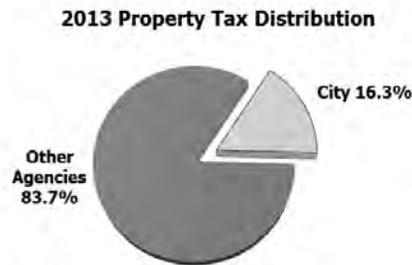
In Kirkland, property taxes fund services in the General, Street Operating, Parks Maintenance, and Parks Levy Funds. The Parks Maintenance Fund was created in 2003 as a result of a levy lid lift approved by voters in November 2002 to fund maintenance and operations for new parks. Another parks levy lid lift was approved by voters in November 2012 and also funds parks maintenance, some recreation programming (accounted for in the Parks Levy Fund), as well as provide funding for parks capital projects. A second ballot measure also approved by voters in November 2012 for a street maintenance and pedestrian safety levy funds street preservation and maintenance projects in the Street Operating and Transportation Capital Projects funds.

Property taxes are the largest source of revenue in the General Fund and Street Operating Fund, and the primary source of revenue in the Parks Maintenance and Parks Levy Funds. Property tax replaced sales tax as the largest General Fund revenue in 2011 as the result of annexation.

All real and personal property (except where exempt by law) is assessed by the King County Assessor at 100 percent of the property's fair market value. Assessed values are adjusted each year based on market value changes.

Although property taxes represent a major source of funding for City services, the portion of each property owner's total tax bill allocated to the City is relatively small. In 2013, the total typical property tax rate in Kirkland is \$11.48 per \$1,000 of assessed valuation.

Of that total, about 16.3 percent, or \$1.87 per \$1,000 assessed valuation, goes to the City. This rate includes the 2002 levy lid lift for parks maintenance, as well as the 2012 street preservation/pedestrian safety and park levies, which added 20.4 cents and 16 cents respectively to the levy rate. **The actual City's levy rate varies between neighborhoods as the result of annexation; residents in the newly annexed neighborhoods do not pay debt approved by voters prior to annexation (about \$0.07 per \$1,000 of assessed valuation).** Total levy rates may also vary depending on differences in taxing districts, such as specific school district rates.



State statute limits the annual increase in the regular property tax levy to the lesser of one percent or the Implicit Price Deflator (an inflation factor published by the Bureau of Economic Analysis). The City can exceed the limitation with the approval of voters or by using levy capacity from prior years that was "banked" for future specified purposes. The City has used all of the banked levy.

The City is also provided an allowance for new construction, which entitles the City to the property tax revenue generated by newly constructed businesses and homes. The new construction levy does not increase the overall tax rate paid by property owners. **The City's total rate cannot be more than \$3.10 per \$1,000 of assessed valuation.**

The annual tax impact on a property owner is usually different than the percent increase of the levy, since it depends on several factors such as changes in the assessed valuation of the property, growth or decline in the City's overall assessed valuation, and levy increases by other taxing districts. **The actual levy rate also changes based on these variables.** The property tax rate is determined by dividing the levy amount by the assessed valuation per \$1,000.

## **Budget**

| <b>Property Tax</b>   | <b>2013-14</b>      | <b>2011-12</b>      |
|---|---------------------|---------------------|
|   | <b>\$53,262,551</b> | <b>\$40,372,859</b> |
| General Fund  | \$33,573,159        | \$29,311,574        |
| Street Operating Fund*  | \$5,271,499         | \$7,181,893         |
| Street Maintenance/Pedestrian Safety Levy (Street Operating Fund) | \$5,872,746         | \$0                 |
| Parks Maintenance   | \$2,474,910         | \$2,040,565         |
| Parks Levy Fund   | \$2,106,077         | \$0                 |
| Parks Levy allocated to Capital Projects                          | \$2,500,000         | \$0                 |
| Voted Debt Service (UTGO Fund)                                    | \$1,464,160         | \$1,838,827         |

\*2011-12 includes one-time King County Road Levy, funds received in 2011

## **Trends and Assumptions**

### *Methodology*

- Based on prior year's levy plus new construction and any additional levy increase up to one percent unless otherwise approved by voters.

### *Trends*

- New construction as a percentage of each year's total base regular levy has ranged between 0.34 percent and 3.94 percent over the last nine years.
- The 2013 new construction levy of \$124,473 is 0.62 percent of the total base regular levy for 2012.

### *Key Assumptions*

- One percent growth in new construction in 2013 and 2014.
- One percent optional levy increase in 2013 and 2014
- Passage of Street Preservation/Pedestrian Safety and Park levies on the ballot in November 2012.

**SALES TAX**

Sales tax is one of the primary sources of funding for general City services. In addition, sales tax is a dedicated funding source for transportation-related capital projects (\$540,000) during the biennium.

Sales tax is levied on the sale of consumer goods (except most food products and some services) and construction. In Kirkland, retail businesses are the largest generator of sales tax, followed by contracting, services, and wholesale businesses. The amount of revenue generated by sales tax fluctuates from year to year due to changes in the economy, buying habits of consumers, and the level of construction taking place in the City.

The general sales tax rate within the City of Kirkland is 9.5 percent. Of the 9.5 percent, 0.85 percent is returned to the City of Kirkland, and the remainder is distributed to the State, King County, and other public agencies. An additional 0.3 percent sales tax is collected by Washington State on vehicle sales and leases to fund transportation improvements. The distribution of the sales tax is displayed in the table to the right.

| <b>Jurisdiction</b>  | <b>Rate (%)</b> |
|--|-----------------|
| State of Washington  | 6.50            |
| King County/METRO  | 1.00            |
| King County Criminal Justice Levy  | 0.10            |
| City of Kirkland<br>(1.0 with 0.15 remitted to King County for administrative costs) |                 |
| City Portion   | 0.85            |
| County Portion   | 0.15            |
| Regional Transit Authority   | 0.90            |
| <b>Total General Sales Tax Rate</b>  | <b>9.50</b>     |
| Additional Auto Sales/Lease Rate   | 0.30            |
| <b>Total Auto/Sales Lease Rate</b>   | <b>9.80</b>     |

**Budget**

| <b>Sales Tax</b>       | <b>2013-14</b>      | <b>2011-12</b>      |
|------------------------|---------------------|---------------------|
|                        | <b>\$29,717,093</b> | <b>\$27,797,909</b> |
| General Fund           | \$29,177,093        | \$26,857,909        |
| Street Operating Fund* | \$540,000           | \$540,000           |
| General Capital Fund** | \$0                 | \$400,000           |

\*Funding for Transportation Capital Projects

\*\*2011-2012 funding allocated to Technology Sinking Fund in 2013-2014

**Trends and Assumptions**

*Methodology*

- The City’s fiscal policy is to budget in the coming year an amount equivalent to the total expected sales tax revenue collected in the prior year. The 2012 revenue estimate is projected to be 9.3 percent higher than 2011. The 2013 budget is equal to the 2012 estimated revenue and 2014 projects a 3.0 percent growth. Additionally, the creation of sinking funds in the 2013-14 biennium for public safety and technology equipment funded from General Fund resources reallocated \$400,000 in 2013-14 from the CIP to the General Fund.

*Trends*

Annual sales tax over the last 6 years:

|                             | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012 Est.</b> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|------------------|
| Revenue (\$ millions)       | 16.52       | 15.03       | 12.24       | 12.81       | 13.39       | 14.64            |
| % Change from Previous Year | 0.6%        | -9.0%       | -18.5%      | 4.6%        | 4.5%        | 9.3%             |

- The impact of the “great recession” is illustrated with significant declines in sales tax revenue experienced in 2008 and 2009.

- The City started receiving revenue from the annexation area in September 2011, which contributed about 1 percent of the gain for that year.
- 2012 revenue has increased due to significant improvement in development related activity, strong performance in automobile sales, general improvement in retail sectors and a full year of annexation area revenues.

*Key Assumptions*

- City sales tax rate of 0.85 percent (one percent less 0.15 percent remitted to King County for administrative costs).
- 2013 budgeted sales tax is based on 2012 estimated receipts and 2014 budgeted sales tax is based on 2013 budgeted receipts plus 3 percent growth.

**STATE SALES TAX CREDIT**

The City is eligible to receive a state sales tax credit for providing services in the annexation area and first imposed the tax in 2011 since annexation occurred in June of that year. The tax is a credit against the state sales tax, so it is not an additional tax to the consumer.

The purpose of the tax is to provide financial assistance to cities that annex an area where revenues received from the annexed area do not offset the costs of providing services to the area. For annexations greater than 20,000, the City can impose a rate of 0.2 percent. The tax is limited to no more than ten years from the date it is first imposed and must be used to provide services for the annexation area. If revenues do exceed the amount needed to provide services, the tax must be suspended for the remainder of the year. Prior to March 1 of each year, the City must notify the Department of Revenue of the maximum amount of distributions it is allowed to receive for the upcoming fiscal year.

**Budget**

| Sales Tax Credit | 2013-14     | 2011-12     |
|------------------|-------------|-------------|
|                  | \$6,831,252 | \$4,539,657 |
| General Fund     | \$6,831,252 | \$4,539,657 |

**Trends and Assumptions**

*Methodology*

- Based on the difference of the amount the City deems necessary to provide services for the annexation area and the general revenue received from the annexation area.
- By state statute, the City must adopt a resolution each year and notify the Department of Revenue prior to March 1<sup>st</sup> of the estimated sales tax credit required to provide municipal services to the annexation area for the state fiscal year starting on July 1st.

*Trends*

- State sales tax credit was received for one quarter in 2011 and a full year in 2012.

*Key Assumptions*

- 0.2 percent sales tax credit against the state sales tax.
- Based on estimated shortfall of revenue supporting municipal services in the neighborhoods in the annexation area.
- The amount of the credit is based on retail sales for the entire City of Kirkland, including the annexation area.

**KING COUNTY CRIMINAL JUSTICE LEVY**

Under the authority granted by the State and approved by the voters, King County levies an additional 0.1 percent sales tax to support criminal justice programs. The State collects this optional tax and retains 1.5 percent for administration. Of the amount remaining, 10 percent is distributed to the county and 90 percent is distributed to cities. This revenue must be used exclusively for criminal justice purposes and cannot replace existing funds designated for these purposes.

**Budget**

| <b>Criminal Justice Levy</b> | <b>2013-14</b>     | <b>2011-12</b>     |
|------------------------------|--------------------|--------------------|
|                              | <b>\$3,301,260</b> | <b>\$2,718,109</b> |
| General Fund                 | \$3,301,260        | \$2,718,109        |

**Trends and Assumptions**

*Methodology*

- Distributed on the basis of population.

*Trends*

- 2012 revenue increased over 2011 based on larger population from annexation.

*Key Assumptions*

- 2013-14 budget based on 2012 estimate.

**UTILITY TAXES**

Utility taxes are levied on the gross operating revenues that public and private utilities earn from operations within the boundaries of the City. This applies to electric, natural gas, water, sewer, surface water, solid waste, telephone, and cable TV utilities. Legislation passed in 1982 limits the tax rate on electric, gas, steam, and telephone utilities to six percent. The Cable Communication Policy Act of 1984 states that cable tax rates should not be higher than tax rates on other utilities. Currently, a six percent tax rate applies to both residential and commercial customers of these utilities.

There are no restrictions on the tax rates for water, sewer, surface water, and solid waste utilities. A Washington State Supreme Court decision ruled that fire hydrant maintenance must be paid from taxes rather than water utility rates. As a result, water rates were reduced to remove the costs of the protection and the water utility tax rate was increased as of 2011 to pay for hydrant maintenance from the General Fund.

The current rates for both residential and commercial customers for City utilities are as follows:

- Surface water utility: 6.98 percent
- Sewer and Solid Waste: 9.5 percent
- Water: 11.8 percent (reflects the impact of hydrant charges mentioned above)

**Budget**

| <b>Utility Taxes<br/>(General Fund)</b> | <b>2013-14</b>      | <b>2011-12</b>      |
|---|---------------------|---------------------|
|   | <b>\$29,398,309</b> | <b>\$26,905,029</b> |
| Electric Utility (Private)              | \$8,019,140         | \$7,303,604         |
| Gas Utility (Private)                   | \$3,324,982         | \$2,365,263         |
| Television Cable (Private)              | \$3,128,271         | \$2,314,257         |
| Telephone Utility (Private)             | \$5,806,793         | \$7,120,628         |
| Water Utility (City-owned)              | \$2,524,566         | \$2,338,062         |
| Sewer Utility (City-owned)              | \$2,422,103         | \$2,155,954         |
| Solid Waste Utility (City-contracted)   | \$2,908,321         | \$2,250,949         |
| Surface Water Utility (City-owned)      | \$1,264,133         | \$1,056,312         |

**Trends and Assumptions**

*Methodology*

- Based on historical trends with greater emphasis on current year receipts.

*Trends*

- Revenue impact for surface water and solid waste utilities in 2013-14 based on full two-year revenue from new neighborhoods (the City currently does not provide water and sewer utilities in the new neighborhoods).
- Telephone utility tax revenue declining due to changes in consumer behavior.
- Electricity, gas, and water utility tax revenues are sensitive to weather conditions that impact consumer demand for services.

*Key Assumptions*

- 2013-14 budget based on 2012 estimates plus assumptions for expected changes in utility rates.

**REAL ESTATE EXCISE TAX**

The Real Estate Excise Tax is levied on all sales of real estate, measured by the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The State levies this tax at the rate of 1.28 percent. Cities are also authorized to impose a local tax of 0.50 percent. The first 0.25 percent tax must be used primarily for local capital improvements identified under **the capital facilities plan element of the City’s Comprehensive Plan**. The second 0.25 percent, which is optional, must be used to fund transportation capital projects according to City ordinance.

**Budget**

| Real Estate Excise Tax              | 2013-14     | 2011-12     |
|-------------------------------------|-------------|-------------|
|                                     | \$7,000,000 | \$4,070,000 |
| Excise Tax Capital Improvement Fund | \$7,000,000 | \$4,070,000 |

**Trends and Assumptions**

*Methodology*

- Real estate excise tax collections are primarily a function of the real estate market and mortgage rates.

*Trends*

- Revenue is expected to increase about 22 percent in 2012 over 2011.
- 2011-12 revenue is expected to be 53 percent higher than 2009-2010 reflecting increasing real estate sales activity.

*Key Assumptions*

- Real Estate Excise Tax of 0.5 percent.
- Current allocation for 2013-14 budget (includes planned use of reserves):
  - REET 1 -
 

|                    |             |
|--------------------|-------------|
| Parks CIP          | \$1,558,000 |
| Transportation CIP | \$ 717,000  |
| Teen Center Debt   | \$ 28,207   |
| Parks Operations   | \$ 185,339  |
  - REET 2 -
 

|                     |             |
|---------------------|-------------|
| Transportation CIP  | \$3,211,500 |
| Streets Maintenance | \$ 320,116  |

## **GAMBLING TAX**

Gambling tax revenues are primarily used for gambling enforcement purposes. The maximum tax rates allowed by state statute are five percent for bingo, raffles, punchboards, and pulltabs and two percent for amusement games. The City Council amended the Kirkland Municipal Code (KMC) to prohibit card rooms beginning in 1999. On July 7, 2009, City Council adopted non-binding legislation (Resolution 4766), which **expressed the City Council's intent to allow the continued operation of existing card rooms in the** annexation area if any such license exists. State legislation adopted in 2011 allows for the continued operation of existing card rooms without requiring the City to license card rooms. There is currently one **establishment that meets this "grandfathered" requirement. The current tax rate on card rooms is 11** percent.

### **Budget**

| <b>Gambling Tax</b>          | <b>2013-14</b>     | <b>2011-12</b>   |
|------------------------------|--------------------|------------------|
|                              | <b>\$1,673,878</b> | <b>\$977,538</b> |
| Card Games (General Fund)    | \$1,426,214        | \$693,238        |
| Other Revenue (General Fund) | \$247,664          | \$284,300        |

### **Trends and Assumptions**

#### *Methodology*

- Based on historical trends with greater emphasis on current year's receipts.

#### *Trends*

- Revenue impact in 2013-14 based on full two-year revenue from new neighborhoods.
- Other gambling revenue expected to decline from 2011-12.

#### *Key Assumptions*

- Current establishments will continue to operate.

## **LODGING TAX**

A lodging excise tax of one percent is imposed on most short-term accommodations, such as hotels and motels. This revenue is limited to funding tourism promotion and the operation of tourism-related facilities.

### **Budget**

| <b>Lodging Tax</b> | <b>2013-14</b>   | <b>2011-12</b>   |
|--------------------|------------------|------------------|
|                    | <b>\$464,704</b> | <b>\$386,975</b> |
| Lodging Tax Fund   | \$464,704        | \$386,975        |

### **Trends and Assumptions**

#### *Methodology*

- Based on current year receipts.

#### *Trends*

- 2012 revenue expected to increase about 4 percent over 2011.

#### *Key Assumptions*

- Current establishments will continue to operate.

## **LICENSES AND PERMITS**

### **BUILDING RELATED PERMITS**

This category consists of revenue collected by the Building Division and the Public Works Department. Included in this category are building permits, plumbing permits, clear/grade permits, side-sewer permits, mechanical permits, electrical permits, and sign permits. Fees imposed for permits are subject to a base charge determined by the type of permit, plus additional fees determined by either the dollar value or size (square foot or number of units) of the project.

#### **Budget**

| <b>Building Permits</b> | <b>2013-14</b> | <b>2011-12</b>     |
|-------------------------|----------------|--------------------|
|                         |                | <b>\$3,800,056</b> |
| General Fund            | \$3,800,056    | \$4,172,217        |

### **Trends and Assumptions**

#### *Methodology*

- Based on historical trends, the number of permits pending in the planning process, and the **Building Division's projections of upcoming construction projects.**

#### *Trends*

- Development-related activity has improved; 2012 revenue is expected to be 24 percent higher than 2011.
- 2011-12 budget assumed redevelopment of Parkplace shopping center; the start date for this is uncertain.

#### *Key Assumptions*

- 2013-14 budget based on 2012 estimates, with fees for 2013-14 increased by inflation factor (CPI) of 2.7 percent.
- Potential impacts of redevelopment of two major shopping centers (Parkplace and Totem Lake) are not included in 2013-14 budget.

### **BUSINESS LICENSES AND PERMITS**

This category includes the issuance of business licenses and licenses for certain activities such as cabaret (live music/dancing), massage parlors, pawnbrokers or devices such as cigarette machines and amusement devices. The fee structure for business permits is typically an annual fee or one-time charge depending on the particular type of license or permit.

The business license fee structure has a \$100 base fee for annual renewals and an annual charge of \$100 per full time equivalent (FTE) for all employees of non-exempt businesses. This program also requires businesses with no physical presence in Kirkland that are doing business in the City (e.g. contractors) to obtain a business license. The base fee is considered a license revenue and the per FTE charge is considered a "revenue generating regulatory license."

#### **Budget**

| <b>Business Licenses &amp; Permits<br/>(General Fund)</b> | <b>2013-14</b>     | <b>2011-12</b>     |
|---|--------------------|--------------------|
|   | <b>\$5,780,766</b> | <b>\$5,790,992</b> |
| Revenue Generating Regulatory Fee                         | \$4,679,290        | \$4,730,369        |
| Business License Fee & Permits                            | \$1,101,476        | \$1,060,623        |

## **Trends and Assumptions**

### *Methodology*

- Based on current year receipts.

### *Trends*

- This revenue source is not normally expected to fluctuate significantly; however the severe economic downturn did result in revenues declining in 2009-2010.
- Revenues improved in 2011-12 from a combination of additional businesses added from annexation, as well as economic recovery.

### *Key Assumptions*

- 2013-14 budget based on 2012 estimates and reflects proposed waiver of first year fee per FTE for new businesses established within the city limits with 10 or fewer **FTE's**.

## **FRANCHISE FEES**

Franchise fees are charges levied on utilities for the right to use city streets, alleys and other public properties. Charges on light, natural gas, and telephone utilities are limited to the actual administrative expenses incurred by the City. Cable TV franchise fees are governed by federal rather than state law and may be levied at a rate of five percent of gross revenues, regardless of the cost of managing the franchise process. Franchise fees are also collected from the Northshore Utility District and Woodinville Water District.

## **Budget**

| <b>Franchise Fees</b> | <b>2013-14</b> | <b>2011-12</b>     |
|-----------------------|----------------|--------------------|
|                       |                | <b>\$7,489,714</b> |
| General Fund          | \$7,489,714    | \$6,063,525        |

## **Trends and Assumptions**

### *Methodology*

- Based on historical trends and rate increases approved at the time estimates are prepared.

### *Trends*

- 2012 revenue is estimated to increase 75 percent over 2011 due to receiving full-year revenue from the annexation area, along with adding revenue from Northshore Utility District and Woodinville Water District from the new neighborhoods.

### *Key Assumptions*

- 2013-14 budget based on 2012 estimates plus the impact of utility rate increases for Northshore Utility District.

## INTERGOVERNMENTAL

### **EMERGENCY MEDICAL SERVICES (EMS) LEVY**

This is a voter approved levy that is collected by King County and distributed to cities based on a formula. A six-year levy was approved by voters in November 2007.

#### **Budget**

| EMS Levy     | 2013-14     | 2011-12            |
|--------------|-------------|--------------------|
|              |             | <b>\$1,769,290</b> |
| General Fund | \$1,769,290 | \$1,735,407        |

#### **Trends and Assumptions**

##### *Methodology*

- The current levy is set at a rate \$0.30 per \$1,000 of assessed valuation.
- Distribution is based on a formula that considers the number of calls for service, total assessed valuation, and the consumer price index (CPI-U).

##### *Trends*

- 2012 revenue is estimated to increase 1.8 percent over 2011.

##### *Key Assumptions*

- Estimate provided by King County.
- 2014 assumes levy continues at same level as 2013 and the levy is reauthorized by voters in 2013.
- Due to recent declines in assessed valuation, the preliminary recommendation by the EMS Advisory Task Force (comprised of representatives from King County, cities, and fire districts) is to increase the levy rate to about \$0.33 per \$1,000 of assessed valuation.

**LIQUOR BOARD PROFITS AND EXCISE TAX**

A voter initiative approved in November 2011 eliminated the state monopoly on liquor sales and allows liquor sales in privately owned retail stores as of June 1, 2012. Profits from the state-owned liquor stores and liquor excise taxes have historically been shared with local governments to help defray the costs for policing of liquor establishments located within city limits.

The liquor board profits have been replaced with licensing fees charged to retailers as a result of the initiative (although the State is still calling them profits). Liquor taxes also continue to be collected on liquor sales. However, due to severe budget challenges, the State balanced its current budget by reducing liquor excise tax shared with local governments. The allocation was reduced by 3.4 percent in 2011 and will not be received for the last quarter of 2012 and the first three quarters of 2013. Once distributions are reinstated, the amount to be distributed to local governments will be reduced by \$10 million per year. However, due to the initiative requirements, local governments are to receive in liquor board profits no less than was received in the four quarter prior to passage of the initiative. In addition, \$10 million is added to enhance public safety programs due to the increased number of retailers.

**Budget**

| <b>Liquor Board Profits &amp; Excise Tax</b> | <b>2013-14</b>     | <b>2011-12</b>     |
|--|--------------------|--------------------|
|  | <b>\$1,813,911</b> | <b>\$1,439,345</b> |
| Liquor Board Profits (Licensing Fees)        | \$1,469,645        | \$946,929          |
| Liquor Excise Tax                            | \$344,266          | \$492,416          |

**Trends and Assumptions**

*Methodology*

- Estimate based on forecast provided by Association of Washington Cities.

*Trends*

- 2012 revenue is higher than 2011 due to higher per capita calculation as a result of the increase of population from annexation.
- Additionally, 2012 Liquor Board Profits revenue is expected to be 67 percent higher than 2011 primarily due to one-time distribution that came from the State selling its distribution center and auctioning off the rights to run liquor stores at locations previously operated by the state.
- 2013-14 revenue is higher due to a larger population base from annexation, as well as a higher per capita distribution compared to 2011-12 budget.
- Liquor sales have increased statewide since privatization, but the impact to local shared revenue is uncertain.

*Key Assumptions*

- Per capita calculation from Association of Washington Cities:
  - Liquor Excise Tax: \$0.84 per capita
  - Liquor Board Profits: \$8.97 per capita
- Based on changes resulting from the State re-directing shared revenue to balance its current budget, liquor excise tax assumes one quarter’s distribution in 2013 and four quarters in 2014 based on 2013 per capita estimate.

## **MOTOR VEHICLE FUEL TAX ("GAS TAX")**

In Washington State, cities receive a portion of the State-collected gasoline tax. The City allocates a set portion for capital construction and street preservation projects and the balance for street operations.

### **Budget**

| <b>Motor Vehicle Fuel Tax<br/>(Street Operating Fund)</b> | <b>2013-14</b> | <b>2011-12</b> |
|---|----------------|----------------|
| MVFT-Street Operations                                    | \$2,255,658    | \$1,604,841    |
| MVFT-Capital  | \$1,133,000    | \$1,353,000    |

### **Trends and Assumptions**

#### *Methodology*

- Estimate based on forecast provided by Association of Washington Cities. Gas tax is imposed as a fixed amount per gallon of gas purchased (i.e. fluctuations in the price of gas will effect gas tax revenues only if consumption changes).

#### *Trends*

- 2012 revenue is higher than 2011 due to higher per capita calculation resulting from increased population from annexation.
- An additional \$250,000 was allocated to capital to supplement the 2012 Street Preservation program.
- Statewide, the revenue base is decreasing as consumer gas consumption declines in response to higher gas prices.

#### *Key Assumptions*

- Estimated per capita amount of \$20.64 in 2013 and 2014.

## **CHARGES FOR SERVICES**

### **UTILITY RATES**

The City operates three separate utilities, which are managed like a business with customer charges fully supporting all costs. Revenue is collected for water/sewer services, surface water management, and garbage and recycling (solid waste) services.

#### **Budget**

| <b>Utility Rates</b>          | <b>2013-14</b>      | <b>2011-12</b>      |
|-------------------------------|---------------------|---------------------|
|                               | <b>\$96,456,320</b> | <b>\$77,172,299</b> |
| Water/Sewer Operating Fund    | \$46,837,472        | \$39,250,818        |
| Surface Water Management Fund | \$18,097,238        | \$14,902,859        |
| Solid Waste Fund              | \$31,521,610        | \$23,018,622        |

### **Trends and Assumptions**

#### *Methodology*

- Annual rate changes are needed to acknowledge the general cost of operations, any new obligations and “pass-through” increases from other agencies.

#### *Trends*

- Surface water and solid waste utilities were impacted by the adding customers in the newly annexed neighborhoods; the City does not currently provide water and sewer services in these areas.
- 2012 water/sewer revenue is estimated to increase 5 percent compared to 2011 due to a rate increase and lower water consumption in 2011 caused by an unusually cool and damp summer.
- 2012 surface water revenue is estimated to increase 28 percent compared to 2011 primarily due the impact of a full-year of revenue from customers added in the newly annexed neighborhoods.
- 2012 solid waste revenue is estimated to increase 38 percent compared to 2011 primarily due the impact of a full-year of revenue from customers added in the newly annexed neighborhoods.

#### *Key Assumptions*

- Based on a Washington State Department of Revenue ruling, the City must include the effect of City utility taxes in the utility rates; this accounting change is reflected in the rate changes noted below.
- Water rate increase 3.4 percent in 2013 and 5 percent in 2014 primarily due increased costs paid to **Cascade Water Alliance, which supplies the City’s water**, as well as increased investment in infrastructure replacement.
- Sewer rate increase 7 percent in 2013 largely due to increased costs paid to King County Water Treatment Division, which provides wastewater treatment services to the City.
- No increase planned for surface water rates.
- Solid waste rate increase 12.99 percent in 2013 primarily due to increased disposal costs.

### **PLANNING FEES AND PLAN CHECK FEES**

These fees are collected for development-related services involving the issuance of permits and the **review of plans for compliance with the City’s codes**. Fees are generally collected at a level estimated to recover the cost of the service provided.

## **Budget**

| <b>Planning Fees &amp; Plan Check Fees</b> | <b>2013-14</b>     | <b>2011-12</b>     |
|--|--------------------|--------------------|
|  | <b>\$3,225,625</b> | <b>\$2,962,106</b> |
| General Fund                               | \$3,225,625        | \$2,962,106        |

## **Trends and Assumptions**

### *Methodology*

- Based on historical trends, the number of development plans pending in the planning process, and the Building Division's projections of upcoming construction projects.

### *Trends*

- 2012 revenue is expected to be 65 percent higher than 2011 due to a significant increase in development activity and several larger projects.

### *Key Assumptions*

- 2013-14 budget based on 2012 estimates, with fees for the upcoming biennium increased by inflation factor (CPI) of 2.7 percent.

## **EMERGENCY TRANSPORT FEE**

The Kirkland Fire Department began its Basic Life Support (BLS) Transport User Fee Program in March 2011. The Program was established to create a sustainable revenue source to support essential emergency medical services. Fees from the BLS transport user fee help cover the cost of providing emergency medical service.

## **Budget**

| <b>Emergency Transport Fee</b> | <b>2013-14</b>     | <b>2011-12</b>     |
|--------------------------------|--------------------|--------------------|
|                                | <b>\$1,787,136</b> | <b>\$1,414,858</b> |
| General Fund                   | \$1,787,136        | \$1,414,858        |

## **Trends and Assumptions**

### *Methodology*

- Based on historical trends.

### *Trends*

- 2012 revenue is expected to be 54 percent higher than 2011 due to the program being in effect for the entire year.

### *Key Assumptions*

- 2013-14 budget based on 2012 estimates adjusted for change in rate.

## **ENGINEERING DEVELOPMENT FEES**

These fees are collected from developers for the inspection of public improvements associated with private developments under construction.

### **Budget**

| <b>Engineering Development Fees</b> | <b>2013-14</b>     | <b>2011-12</b>     |
|-------------------------------------|--------------------|--------------------|
|                                     | <b>\$1,148,186</b> | <b>\$1,019,998</b> |
| General Fund                        | \$1,148,186        | \$1,019,998        |

### **Trends and Assumptions**

#### *Methodology*

- Based on historical trends.

#### *Trends*

- 2012 revenue is expected to be 34 percent higher than 2011 due to increased development-related activity.

#### *Key Assumptions*

- 2013-14 budget based on estimated development activity plus increased fees for right of way inspector and inflation factor (CPI) adjustment of 2.7 percent.

## **TRANSPORTATION AND PARK IMPACT FEES**

The City collects impact fees for transportation and parks. As authorized under the Growth Management Act, applicants of new development are charged for a change in use to pay for the cost of new public facilities that provide future capacity needed to accommodate new growth and development. The fees cannot pay for existing deficiencies in level of service for the public facilities or normal maintenance and repairs. The fee charged to each development is based on a proportionate share of the new facilities.

### **Budget**

| <b>Impact Fees</b> | <b>2013-14</b>     | <b>2011-12</b>     |
|--------------------|--------------------|--------------------|
|                    | <b>\$1,200,000</b> | <b>\$1,440,185</b> |
| Road Impact Fees   | \$700,000          | \$1,200,000        |
| Park Impact Fees   | \$500,000          | \$240,185          |

### **Trends and Assumptions**

#### *Methodology*

- Based on historical trends.

#### *Trends*

- Increased development activity has improved this revenue significantly; 2012 revenues are expected to be 87 percent higher than 2011.

#### *Key Assumptions*

- 2013-14 budget based on conservative projections using recent historical trends.

## INTERFUND CHARGES

Fees are collected in the General Fund from other City funds for services provided by General Fund staff, such as engineering, human resources, payroll, general administration, legal, purchasing, budget, accounts payable, and utility billing services.

### **Budget**

| <b>Interfund Charges<br/>(General Fund)</b> | <b>2013-14</b>      | <b>2011-12</b>      |
|---|---------------------|---------------------|
|   | <b>\$10,407,793</b> | <b>\$10,538,573</b> |
| Engineering Charges                         | \$4,546,931         | \$4,369,715         |
| Accounting Services                         | \$1,507,189         | \$1,567,615         |
| Citywide Overhead                           | \$4,353,673         | \$4,601,243         |

### **Trends and Assumptions**

#### *Methodology*

- Engineering charges are based on prior year experience, projected capital improvement projects, and current budgeted engineering costs.
- Accounting services are paid by the Utility funds for billing services and based on the previous year's experience.
- Citywide overhead are centrally provide administrative services and based on the previous year's experience.

#### *Trends*

- Engineering charges are expected to increase 4 percent based on the number of large capital projects budgeted in the current biennium
- Accounting services and Citywide overhead are lower than the previous biennium primarily due to lower than expected actual costs in 2012.

#### *Key Assumptions*

- Not applicable

## **FINES AND FORFEITS / ENFORCEMENT FEES**

The City of Kirkland and the State of Washington share revenue that is collected from fines, forfeitures, fees, costs, and penalties associated with the enforcement of ordinances and statutes. The type of statute violated determines the percentage of each payment that is retained by the City.

### **Budget**

| <b>General Fund</b>            | <b>2013-14</b>     | <b>2011-12</b>     |
|--------------------------------|--------------------|--------------------|
|                                | <b>\$5,340,924</b> | <b>\$7,344,227</b> |
| Fines and Forfeits             | \$3,816,924        | \$5,216,659        |
| Probation Fees                 | \$1,290,000        | \$1,940,768        |
| Electronic Home Detention Fees | \$234,000          | \$186,800          |

### **Trends and Assumptions**

#### *Methodology*

- Based on the number of cases filed with the court and their disposition.

#### *Trends*

- 2012 revenue is expected to be about 11 percent less than 2011 primarily due to a reduction in parking infractions, which was caused by a position vacancy for most of 2012. This position has been filled and revenues are expected to return to more normal trends.

#### *Key Assumptions*

- 2011-12 budget was based the assumption that the new neighborhoods would generate substantially more cases than have actually occurred. 2013-14 budget was revised to reflect the actual impact.
- 2013-14 budget based 2012 estimates.

## **MISCELLANEOUS REVENUE**

### **INVESTMENT INCOME**

Available cash is pooled and invested for the benefit of designated funds and the General Fund. The amount of interest received will vary with interest rates and the amount of cash available for investments during any particular budget year. After satisfying the interest income obligations to funds required by the State to receive their own interest earnings and for the debt service and capital project commitments made by the Council, any remaining interest income is allocated to the General Fund.

### **Budget**

| <b>Investment Income</b> | <b>2013-14</b>     | <b>2011-12</b>     |
|--------------------------|--------------------|--------------------|
|                          | <b>\$1,111,758</b> | <b>\$1,303,840</b> |
| Various Funds            | \$1,111,758        | \$1,303,840        |

### **Trends and Assumptions**

#### *Methodology*

- Interest earnings are estimated based on the current portfolio and expected interest rate trends.

#### *Trends*

- Interest rates are expected to continue to decline, which will decrease interest revenue income.

#### *Key Assumptions*

- Historically low interest rates expected to continue in 2013-14.

## **RESOURCES FORWARD**

Resources Forward represents the beginning fund balance and is comprised of the following: capital reserve, operating reserve, and working capital. A capital reserve is dedicated for the replacement of vehicles and computers and for funding major capital improvement projects. It also includes unspent bond proceeds related to the Public Safety Building, Maintenance Center, and Consolidated Fire Station projects. An operating reserve is an appropriated contingency account set aside for unanticipated expenditures. Working capital consists of excess net operating resources brought forward from the prior year to fund one-time “service packages” and equipment costs and to provide an operating cash flow buffer against seasonal fluctuations in revenues and expenditures. At the end of each year, it is the City’s practice to transfer net resources in excess of designated working capital from the General Fund to one or more of the City’s reserve funds.

### **Budget**

| <b>Resources Forward</b> | <b>2013-14</b> | <b>2011-12</b>       |
|--------------------------|----------------|----------------------|
|                          |                | <b>\$139,335,665</b> |
| All Funds                | \$139,335,665  | \$122,281,861        |

### **Trends and Assumptions**

#### *Methodology*

- Amount budgeted must cover one-time service packages approved in the budget, any designated working capital, and operating or capital reserves.

#### *Trends*

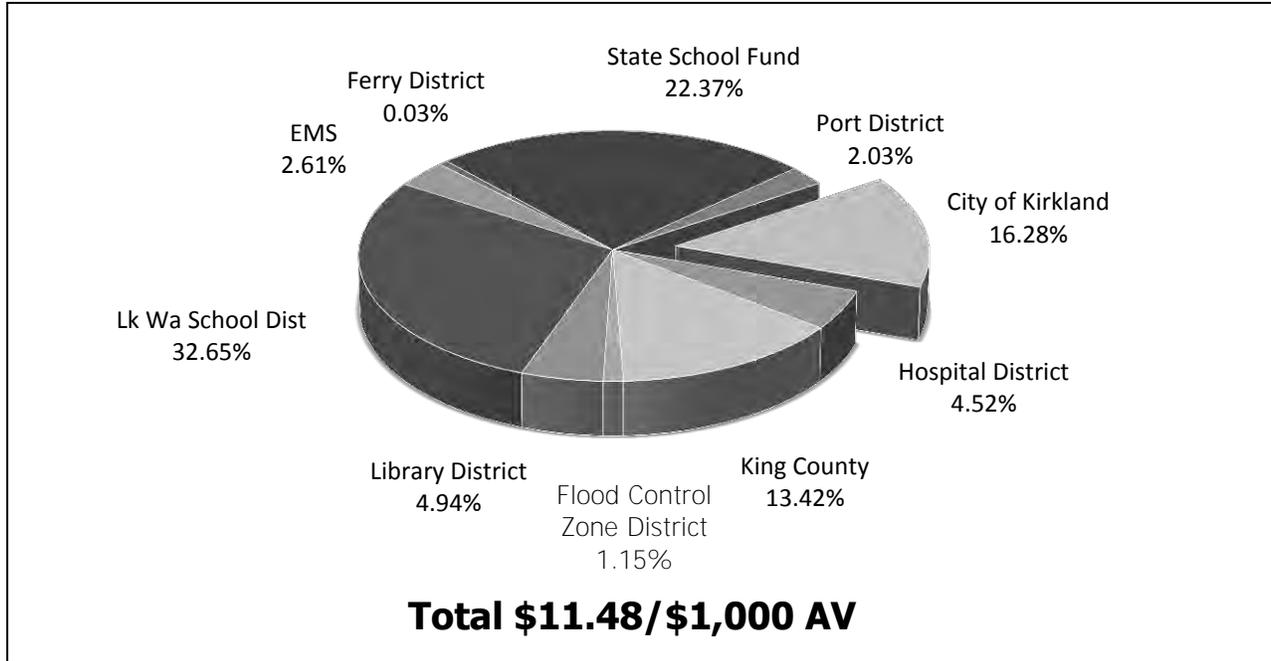
- Not applicable.

#### *Key Assumptions*

- Not applicable.

# CITY OF KIRKLAND

## 2013 PROPERTY TAX DISTRIBUTION



The City is limited to an annual increase on its regular property tax levy of the lesser of 1% or the Implicit Price Deflator, plus an allowance for new construction. The actual impact on an individual's property tax bill is not necessarily the same as the change in the levy. Other factors, such as the assessed valuation of the property, growth or decline in the City's overall assessed valuation, or levy increases (or decreases) of other governments will determine the final tax bill.

Although property taxes represent a major source of funding for City services, the portion of each property owner's total tax bill that goes to the City is relatively small. In 2013, the total typical property tax rate in Kirkland is \$11.48 per \$1,000 of assessed valuation. Of that total, about 16.3%, or \$1.87 per \$1,000 assessed valuation, goes to the City, of which \$0.07 is for voter-approved debt service (where applicable). Included in the Kirkland rate are two levies approved by Kirkland voters in 2012 to become effective in 2013 to fund street maintenance/pedestrian safety projects and park operations/capital projects (\$0.20 and \$0.16 per \$1,000 assessed valuation, respectively).

The graphic and narrative depict the most common tax distribution for Kirkland residents. Due to annexation, the City's rate varies from \$1.80 to \$1.94 depending on the specific neighborhood. Residents in the new neighborhoods do not pay for voter-approved debt prior to annexation. However, residents located within the former boundaries of Fire District #41 pay for bonds issued for the construction of a new fire station. In addition, there are variations in the taxing district boundaries within the city limits, so total tax rates vary as well.

**CITY OF KIRKLAND  
2013 PROPERTY TAX DISTRIBUTION (FINAL LEVY)**

|   |                     |                         |
|---|---------------------|-------------------------|
| <b>Taxable Assessed Valuation For 2013 Regular Levy</b> |                     | <b>\$14,251,471,899</b> |
| <b>Taxable Assessed Valuation For 2013 Excess Levy*</b> |                     | <b>\$10,159,221,244</b> |
| <b>REGULAR LEVY</b>                                     |                     |                         |
| Operating Fund  | Levy                | Rate per<br>\$1,000 AV  |
| General Fund  | \$16,577,835        | \$1.16324               |
| Street Operating Fund                                   | \$2,604,330         | \$0.18274               |
| Parks Maintenance Fund                                  | \$1,225,186         | \$0.08597               |
| 2012 Road Levy  | \$2,907,300         | \$0.20400               |
| 2012 Park Levy  | \$2,280,236         | \$0.16000               |
| <b>Total 2013 Regular Levy</b>                          | <b>\$25,594,886</b> | <b>\$1.79595</b>        |
| <b>EXCESS LEVY</b>                                      |                     |                         |
| Unlimited General Obligation Bond Issue                 | Levy                | Rate per<br>\$1,000 AV  |
| 1995 Unlimited G.O. (Public Safety)                     | \$89,405            | \$0.00880               |
| 2003 Unlimited G.O. (Parks)                             | \$642,650           | \$0.06326               |
| <b>Total 2013 Excess Levy</b>                           | <b>\$732,055</b>    | <b>\$0.07206</b>        |
| <b>TOTAL LEVY</b>                                       |                     |                         |
|   | Levy                | Rate per<br>\$1,000 AV  |
| <b>Total 2013 Levy</b>                                  | <b>\$26,326,941</b> | <b>\$1.86801</b>        |

\* Properties in new neighborhoods do not pay debt service on existing City's voted debt (\$0.07237/\$1,000 A.V.). Remaining Fire District 41 debt service is paid by property owners within the former boundaries of the fire district until debt is retired (estimated at \$0.14625/\$1,000 A.V.) and is not included in the levy rates above.

# CITY OF KIRKLAND

## 2013-2014 DISTRIBUTION OF INVESTMENT INCOME

|   |            |
|---|------------|
| Total Estimated Earnings  | \$ 989,000 |
| Earned Interest Allocated to Utility Funds                                  |            |
| Water/Sewer   | 157,649    |
| Surface Water Management  | 120,740    |
| Solid Waste   | 18,737     |
| Subtotal to Utility Funds   | 297,126    |
| Earned Interest Allocated to Public Safety Building Bonds                   | 87,434     |
| Earned Interest Allocated to Consolidated Fire Station Bonds                | 20,300     |
| Earned Interest Allocated to Self Insurance Fund                            | 19,781     |
| Earned Interest Allocated to Cemetery Improvement/Operating Fund            | 5,754      |
| Earned Interest Allocated to Lodging Tax Fund                               | 1,632      |
| Earned Interest Allocated to Impact Fee Fund                                | 7,131      |
| Earned Interest Allocated to REET Fund                                      | 84,012     |
| Earned Interest Allocated to Equipment Rental Fund                          | 79,712     |
| Earned Interest Allocated to the Firefighter's Pension Fund                 | 15,791     |
| Net to Allocate   | 370,327    |
| Dedicated Proceeds:   |            |
| Public Safety and Information Technology Equipment Replacement Sinking Fund | 370,327    |
| Net to Distribute   | \$ -       |

| <b>2013-2014 BUDGETED DISTRIBUTION</b> |            |
|--|------------|
| Fund                                   | Amount     |
| General                                | \$ 370,327 |
| Street Operating                       | -          |
| Parks Maintenance                      | -          |
| Facilities Maintenance                 | -          |
| Contingency                            | -          |
| General Capital Projects               | -          |
| Information Technology                 | -          |
| Total All Funds                        | \$ 370,327 |



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# BUDGET FOCUS

Selected schedules and charts focusing on key facts, issues and processes reflected in the 2013-2014 Budget



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**CITY OF KIRKLAND**

***FUND BALANCE AND RESERVES***

Reserves and fund balance are two important indicators of the City's fiscal health. Reserves represent "savings accounts" that are held to meet unforeseen budgetary needs ("general purpose reserves"). Some specialized reserves are dedicated by purpose and are held until an appropriate expenditure is needed ("special purpose reserves"). Fund balance includes both reserves and working capital. Working capital is needed within each fund to meet its cash flow needs.

The chart following this narrative summarizes the changes in fund balance across all funds. An analysis of the changes in fund balance is included with each section of the budget (i.e. General Government Operating, Water/Sewer Utility, etc.) in addition to the summary provided here. The analysis shows the 2014 delineation between reserved fund balance and working capital. The following narrative highlights the major reserve policy components as they are incorporated in the 2013-2014 Budget.

**FUND BALANCE**

Each fund begins the year with a beginning fund balance which may be comprised of: capital reserves, operating reserves, and unreserved working capital. As the year progresses, the expenditures made from the fund and revenues received will change the fund balance. A minimum amount of fund balance should be maintained in each operating fund to meet cash flow needs and, if needed, as a means of meeting commitments when a revenue shortfall occurs. A reduction in fund balance during the biennium (unless it is planned) can be seen as a potential sign of fiscal stress – current revenues are not adequate to meet current expenses. Fund balance in excess of the amount needed for minimum cash flow purposes can be used to fund one-time expenses or to replenish or enhance reserves. Budgeted fund balances recognize all cash resources estimated to be available as of the end of the biennium.

**GENERAL PURPOSE RESERVES**

General purpose reserves are available to meet a wide variety of contingencies. They are funded by general purpose revenues, which have no restrictions on the public purpose for which they are spent. The utility funds have a companion set of reserves distinct from those in the General Government category.

General Purpose Reserves are described in the City Fiscal Policies. The table below shows how the balance is expected to change during the biennium.

| <b>Reserves</b>                   | <b>Description</b>                   | <b>Estimated<br/>2012 Ending<br/>Balance (6/30)</b> | <b>Projected<br/>Changes</b> | <b>Estimated<br/>2014 Ending<br/>Balance</b> |
|-----------------------------------|--------------------------------------|---|------------------------------|--|
| <b>GENERAL PURPOSE</b>            |                                      |   |                              |  |
| Contingency                       | Unforeseen expenditures              | 2,201,870   | 224,555                      | <b>2,426,425</b>                             |
| General Capital Contingency       | Changes to general capital projects  | 3,919,463   | -                            | <b>3,919,463</b>                             |
| General Oper. Reserve (Rainy Day) | Unforeseen revenues/temporary events | 2,806,513   | -                            | <b>2,806,513</b>                             |
| Revenue Stabilization Reserve     | Temporary revenue shortfalls         | 1,231,431   | 1,236,637                    | <b>2,468,068</b>                             |
| Council Special Projects Reserve  | One-time special projects            | 189,534   | 60,466                       | <b>250,000</b>                               |
| Building & Property Reserve       | Property-related transactions        | 2,137,598   | (1,566,019)                  | <b>571,579</b>                               |
| <b>Total General Purpose</b>      |                                      | <b>12,486,409</b>                                   | <b>(44,361)</b>              | <b>12,442,048</b>                            |

### SPECIAL PURPOSE RESERVES

Special purpose reserves are set by Council policy, management practice, or by state or local laws that govern their use. The following table shows how the balance is expected to change during the biennium.

| Reserves                              | Description                             | Estimated<br>2012 Ending<br>Balance (6/30) | Projected<br>Changes | Estimated<br>2014 Ending<br>Balance |
|---------------------------------------|---|--|----------------------|-------------------------------------|
| <b>SPECIAL PURPOSE RESERVES</b>       |   |  |                      |                                     |
| General Fund Reserves:                |   |  |                      |                                     |
| Litigation Reserve                    | Outside counsel costs contingency       | 350,000                                    | -                    | <b>350,000</b>                      |
| Labor Relations Reserve               | Labor negotiation costs contingency     | 70,606                                     | (1,410)              | <b>69,196</b>                       |
| Police Equipment Reserve              | Equipment funded from seized property   | 50,086                                     | 27,248               | <b>77,334</b>                       |
| LEOFF 1 Police Reserve                | Police long-term care benefits          | 618,079                                    | -                    | <b>618,079</b>                      |
| Facilities Expansion Reserve          | Special facilities expansions reserve   | 800,000                                    | (800,000)            | -                                   |
| Development Services Reserve          | Revenue and staffing stabilization      | 552,561                                    | 432,874              | <b>985,435</b>                      |
| Development Services Technology Rsv.  | Permit system replacement               | 264,810                                    | 140,000              | <b>404,810</b>                      |
| Tour Dock                             | Dock repairs                            | 81,745                                     | 81,257               | <b>163,002</b>                      |
| Tree Ordinance                        | Replacement trees program               | 19,117                                     | 10,600               | <b>29,717</b>                       |
| Donation Accounts                     | Donations for specific purposes         | 185,026                                    | 29,246               | <b>214,272</b>                      |
| Revolving Accounts                    | Fee/reimbursement for specific purposes | 434,068                                    | (161,450)            | <b>272,618</b>                      |
| Lodging Tax Fund                      | Tourism program and facilities          | 103,766                                    | 101,233              | <b>204,999</b>                      |
| Cemetery Improvement                  | Cemetery improvements/debt service      | 439,415                                    | 251,149              | <b>690,564</b>                      |
| Off-Street Parking                    | Downtown parking improvements           | 9,276                                      | 203,560              | <b>212,836</b>                      |
| Firefighter's Pension                 | Long-term care/pension benefits         | 1,734,215                                  | (250,006)            | <b>1,484,209</b>                    |
| <b>Total Special Purpose Reserves</b> |   | <b>5,712,770</b>                           | <b>64,301</b>        | <b>5,777,071</b>                    |

### GENERAL CAPITAL RESERVES

In addition to the General Capital Contingency shown under General Purpose Reserves, there are other capital reserves dedicated either by Council policy or by state or local laws that govern their use. The following table shows how the balance is expected to change during the biennium.

| Reserves                              | Description   | Estimated<br>2012 Ending<br>Balance (6/30) | Projected<br>Changes | Estimated<br>2014 Ending<br>Balance |
|---------------------------------------|---|--|----------------------|-------------------------------------|
| <b>GENERAL CAPITAL RESERVES</b>       |   |  |                      |                                     |
| Excise Tax Capital Improvement:       |   |  |                      |                                     |
| REET 1                                | Parks/transportation/facilities projects,<br>parks debt service | 825,373                                    | 2,570,116            | <b>3,395,489</b>                    |
| REET 2                                | Transportation capital projects                                 | 4,658,465                                  | 1,435,024            | <b>6,093,489</b>                    |
| Impact Fees                           |   |  |                      |                                     |
| Roads                                 | Transportation capacity projects                                | 1,112,245                                  | 455,853              | <b>1,568,098</b>                    |
| Parks                                 | Parks capacity projects   | 3,038                                      | 251,966              | <b>255,004</b>                      |
| Street Improvement                    | Street improvements   | 1,023,958                                  | 26,300               | <b>1,050,258</b>                    |
| <b>Total General Capital Reserves</b> |   | <b>7,623,079</b>                           | <b>4,739,259</b>     | <b>12,362,338</b>                   |

## UTILITY RESERVES

Utility reserves are available to meet a wide variety of contingencies, either by Council policy, management practice, or by state or local laws that govern their use. However, they can only be used in the utility. Following is a table with the preliminary 2014 estimated ending balance in these accounts.

| Reserves                           | Description                               | Estimated 2012 Ending Balance (6/30) | Projected Changes  | Estimated 2014 Ending Balance |
|------------------------------------|---|--------------------------------------|--------------------|-------------------------------|
| <b>UTILITY RESERVES</b>            |   |                                      |                    |                               |
| Water/Sewer Utility:               |   |                                      |                    |                               |
| Water/Sewer Operating Reserve      | Operating contingency                     | 1,939,380                            | 475,091            | <b>2,414,471</b>              |
| Water/Sewer Debt Service Reserve   | Debt service reserve                      | 508,717                              | 331,490            | <b>840,207</b>                |
| Water/Sewer Capital Contingency    | Changes to Water/Sewer capital projects   | 1,793,630                            | (751,130)          | <b>1,042,500</b>              |
| Water/Sewer Construction Reserve   | Replacement/re-prioritized/new projects   | 7,429,654                            | (1,219,868)        | <b>6,209,786</b>              |
| Surface Water Utility:             |   |                                      |                    |                               |
| Surface Water Operating Reserve    | Operating contingency                     | 412,875                              | 293,489            | <b>706,364</b>                |
| Surface Water Capital Contingency  | Changes to Surface Water capital projects | 858,400                              | (101,260)          | <b>757,140</b>                |
| Surface Water-Transp. Related Rsv  | Replacement/re-prioritized/new projects   | 2,805,431                            | 64,300             | <b>2,869,731</b>              |
| Surface Water Construction Reserve | Trans. related surface water projects     | 1,666,250                            | (573,974)          | <b>1,092,276</b>              |
| <b>Total Utility Reserves</b>      |   | <b>17,414,337</b>                    | <b>(1,481,862)</b> | <b>15,932,475</b>             |

## INTERNAL SERVICE FUND RESERVES

There are four internal service funds with reserves dedicated either by Council policy or by state or local laws that govern their use. These funds include the Health Benefits, Equipment Rental, Information Technology and Facilities Maintenance funds. Revenue to these funds is derived primarily from user charges to other funds. Following is a table with the preliminary 2014 estimated ending balance in these accounts.

| Reserves                                    | Description                           | Estimated 2012 Ending Balance (6/30) | Projected Changes | Estimated 2014 Ending Balance |
|---|---------------------------------------|--------------------------------------|-------------------|-------------------------------|
| <b>INTERNAL SERVICE FUND RESERVES</b>       |                                       |                                      |                   |                               |
| Health Benefits:                            |                                       |                                      |                   |                               |
| Claims Reserve                              | Health benefits self insurance claims | 1,424,472                            | 1,401,286         | <b>2,825,758</b>              |
| Rate Stabilization Reserve                  | Rate stabilization                    | 500,000                              | 500,000           | <b>1,000,000</b>              |
| Equipment Rental:                           |                                       |                                      |                   |                               |
| Vehicle Reserve                             | Vehicle replacements                  | 7,989,563                            | 766,536           | <b>8,756,099</b>              |
| Radio Reserve                               | Radio replacements                    | 7,686                                | -                 | <b>7,686</b>                  |
| Information Technology:                     |                                       |                                      |                   |                               |
| PC Replacement Reserve                      | PC equipment replacements             | 318,646                              | 194,808           | <b>513,454</b>                |
| Technology Initiative Reserve               | Technology projects                   | 690,207                              | (490,190)         | <b>200,017</b>                |
| Major Systems Replacement Reserve           | Major technology systems replacement  | 84,900                               | 415,100           | <b>500,000</b>                |
| Facilities Maintenance:                     |                                       |                                      |                   |                               |
| Operating Reserve                           | Unforeseen operating costs            | 550,000                              | -                 | <b>550,000</b>                |
| Facilities Sinking Fund                     | 20-year facility life cycle costs     | 2,030,515                            | 622,858           | <b>2,653,373</b>              |
| <b>Total Internal Service Fund Reserves</b> |                                       | <b>13,595,989</b>                    | <b>3,410,398</b>  | <b>17,006,387</b>             |

**RESERVES WITH TARGETS**

There are some reserves listed above for which the City of Kirkland City Council has adopted reserve targets as described in the City Fiscal Policies. The table below compares the estimated ending 2014 balance to the 2013-14 reserve target.

| <b>Reserves</b>                              | <b>Estimated<br/>2012 Ending<br/>Balance (6/30)</b> | <b>Estimated<br/>2014 Ending<br/>Balance</b> | <b>2013-14<br/>Target</b> | <b>Revised<br/>Over (Under)<br/>Target</b> |
|--|---|--|---------------------------|--|
| <b>GENERAL PURPOSE RESERVES WITH TARGETS</b> |   |  |                           |  |
| Contingency                                  | 2,201,870   | 2,426,425                                    | 4,401,617                 | (1,975,192)                                |
| General Capital Contingency                  | 3,919,463   | 3,919,463                                    | 5,318,355                 | (1,398,892)                                |
| General Oper. Reserve (Rainy Day)            | 2,806,513   | 2,806,513                                    | 4,333,295                 | (1,526,782)                                |
| Revenue Stabilization Reserve                | 1,231,431   | 2,468,068                                    | 2,468,068                 | -  |
| Council Special Projects Reserve             | 189,534   | 250,000                                      | 250,000                   | -  |
| Building & Property Reserve                  | 2,137,598   | 571,579                                      | 600,000                   | (28,421)                                   |
| <b>General Purpose Reserves with Targets</b> | <b>12,486,409</b>                                   | <b>12,442,048</b>                            | <b>17,371,335</b>         | <b>(4,929,287)</b>                         |
| <b>ALL OTHER RESERVES WITH TARGETS</b>       |   |  |                           |  |
| Excise Tax Capital Improvement:              |   |  |                           |  |
| REET 1                                       | 825,373   | 3,395,489                                    | 1,071,000                 | 2,324,489                                  |
| REET 2                                       | 4,658,465   | 6,093,489                                    | 2,225,500                 | 3,867,989                                  |
| <b>Other Reserves with Targets</b>           | <b>5,483,838</b>                                    | <b>9,488,978</b>                             | <b>3,296,500</b>          | <b>6,192,478</b>                           |
| <b>Total Reserves with Targets</b>           | <b>17,970,247</b>                                   | <b>21,931,026</b>                            | <b>20,667,835</b>         | <b>1,263,191</b>                           |

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2011 to Ending 2014)**  
**SUMMARY OF ALL FUNDS**

|  | General Government |                     | Utility             |                       |                     | All Funds           |
|--|--------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|
|  | Operating Funds    | Non-Operating Funds | Water/Sewer Utility | Surface Water Utility | Solid Waste Utility |                     |
| <b>2011 Actual Beginning Fund Balance</b>                        | <b>33,124,419</b>  | <b>58,548,152</b>   | <b>16,292,418</b>   | <b>12,483,997</b>     | <b>1,832,875</b>    | <b>122,281,861</b>  |
| <i>Reserved</i>  | <i>19,698,530</i>  | <i>14,946,304</i>   | <i>15,024,271</i>   | <i>8,629,085</i>      | <i>5,000</i>        | <i>58,303,190</i>   |
| <i>Unreserved Working Capital</i>                                | <i>13,425,889</i>  | <i>7,074,788</i>    | <i>1,268,147</i>    | <i>3,854,912</i>      | <i>1,827,875</i>    | <i>27,451,611</i>   |
| Plus: 2011-12 Estimated Revenues                                 | 202,718,325        | 52,434,633          | 51,142,621          | 23,050,778            | 22,328,222          | <b>351,674,579</b>  |
| Less: 2011-12 Estimated Expenditures                             | 189,799,212        | 54,258,166          | 46,579,710          | 19,013,870            | 23,326,664          | <b>332,977,622</b>  |
| Less: 2011-12 Amount Avail. for Year-End Transfer                | -                  | -                   | -                   | -                     | -                   | -                   |
| <b>2011-12 Estimated Ending Fund Balance</b>                     | <b>46,043,532</b>  | <b>56,724,619</b>   | <b>20,855,329</b>   | <b>16,520,905</b>     | <b>834,433</b>      | <b>140,978,818</b>  |
| Less: Funding for Carryovers to 2013                             | 1,046,278          | 66,400              | 366,194             | 538,531               | -                   | <b>2,017,403</b>    |
| Less: Funding for 2013-14 Service Packages                       | 2,437,950          | -                   | -                   | -                     | -                   | <b>2,437,950</b>    |
| <b>2013 Budgeted Beginning Fund Balance</b>                      | <b>42,559,304</b>  | <b>56,658,219</b>   | <b>20,489,135</b>   | <b>15,982,374</b>     | <b>834,433</b>      | <b>136,523,465</b>  |
| Plus: 2013-14 Budgeted Revenues                                  | 224,881,177        | 66,934,977          | 57,322,765          | 23,777,286            | 31,800,291          | <b>404,716,496</b>  |
| Less: 2013-14 Budgeted Expenditures                              | 231,766,378        | 107,474,566         | 65,785,047          | 30,078,388            | 31,360,504          | <b>466,464,883</b>  |
| <b>2014 Budgeted Ending Fund Balance</b>                         | <b>38,112,053</b>  | <b>16,118,630</b>   | <b>12,026,853</b>   | <b>9,681,272</b>      | <b>1,274,220</b>    | <b>77,213,028</b>   |
| <i>Reserved</i>  | <i>26,678,523</i>  | <i>15,589,471</i>   | <i>9,828,221</i>    | <i>4,891,451</i>      | <i>-</i>            | <i>56,987,666</i>   |
| <i>Unreserved Working Capital</i>                                | <i>11,433,530</i>  | <i>529,159</i>      | <i>2,198,632</i>    | <i>4,789,821</i>      | <i>1,274,220</i>    | <i>20,225,362</i>   |
| <b>Change in Fund Balance:<br/>Beginning 2011 to Ending 2014</b> | <b>4,987,634</b>   | <b>(42,429,522)</b> | <b>(4,265,565)</b>  | <b>(2,802,725)</b>    | <b>(558,655)</b>    | <b>(45,068,833)</b> |

**Notes:**

Change in Fund Balance depicts the effects of the current and coming year's financial transactions on available resources. A minimum level of fund balance must be maintained in each fund to assure adequate cash flow. In all cases, fund balance is at or above the minimum level. A negative change in fund balance is not necessarily a reflection of a problem. Rather, it typically reflects the use of accumulated resources for planned expenditures (e.g. use of bond proceeds for capital projects). The significant decline in non-operating funds is partially due to the planned expenditure of bond proceeds on capital projects during the biennium.

Greater detail regarding the change in fund balances can be found in the following sections: General Government Operating Funds, General Government Non-Operating Funds, Water/Sewer Utility Funds, Surface Water Utility Funds and Solid Waste Utility Fund.

# CITY OF KIRKLAND POSITION SUMMARY

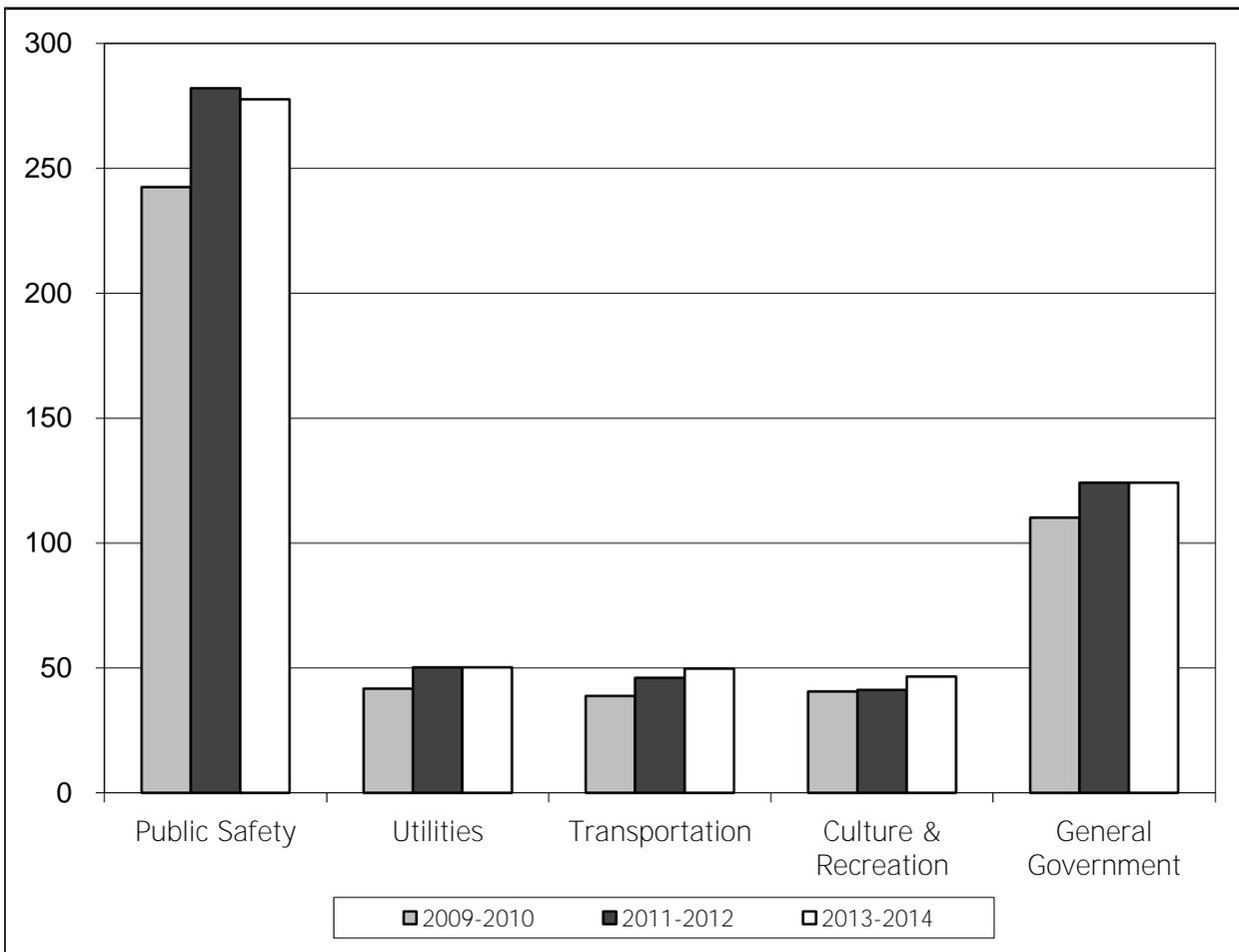
## By Fund

| <b>Fund/Department</b>                             | <b>2009-2010</b> | <b>2011-2012</b> | <b>2013-2014</b> |
|--|------------------|------------------|------------------|
| <b><i>General Fund:</i></b>                        |                  |                  |                  |
| City Council                                       | 7.00             | 7.00             | 7.00             |
| City Manager's Office                              | 21.90            | 8.65             | 8.25             |
| Human Resources                                    | 8.10             | 8.70             | 8.70             |
| City Attorney's Office                             | 4.00             | 4.00             | 4.00             |
| Municipal Court                                    | 0.00             | 22.25            | 18.75            |
| Parks and Community Services                       | 33.03            | 31.00            | 30.00            |
| Public Works                                       | 23.30            | 25.35            | 28.95            |
| Finance and Administration                         | 30.40            | 32.80            | 32.80            |
| Planning & Community Development                   | 19.95            | 24.25            | 23.45            |
| Police   | 121.50           | 137.50           | 135.50           |
| Fire and Building                                  | 107.73           | 122.28           | 123.28           |
| <b>Total General Fund</b>                          | <b>376.91</b>    | <b>423.78</b>    | <b>420.68</b>    |
| <b><i>Other General Gov't Operating Funds:</i></b> |                  |                  |                  |
| Lodging Tax  | 0.60             | 0.60             | 0.60             |
| Street Operating                                   | 15.50            | 20.65            | 20.75            |
| Parks Maintenance                                  | 7.50             | 10.25            | 9.25             |
| 2012 Parks Levy                                    | 0.00             | 0.00             | 7.25             |
| Facilities Maintenance                             | 5.85             | 6.35             | 7.35             |
| Equipment Rental                                   | 6.30             | 7.30             | 7.30             |
| Information Technology                             | 19.25            | 24.50            | 24.70            |
| <b>Total Other General Gov't Operating Funds</b>   | <b>55.00</b>     | <b>69.65</b>     | <b>77.20</b>     |
| <b><i>Utility Funds:</i></b>                       |                  |                  |                  |
| Water/Sewer Operating                              | 21.21            | 19.81            | 19.81            |
| Surface Water Management                           | 18.49            | 27.59            | 27.59            |
| Solid Waste  | 2.00             | 2.80             | 2.80             |
| <b>Total Utility Funds</b>                         | <b>41.70</b>     | <b>50.20</b>     | <b>50.20</b>     |
| <b>Total Positions</b>                             | <b>473.61</b>    | <b>543.63</b>    | <b>548.08</b>    |

# CITY OF KIRKLAND POSITION SUMMARY

## By Program

| Program                | 2009-2010     | 2011-2012     | 2013-2014     |
|------------------------|---------------|---------------|---------------|
| Public Safety          | 242.47        | 282.03        | 277.53        |
| Utilities              | 41.70         | 50.20         | 50.20         |
| Transportation         | 38.80         | 46.00         | 49.70         |
| Culture & Recreation   | 40.53         | 41.25         | 46.50         |
| General Government     | 110.11        | 124.15        | 124.15        |
| <b>Total Positions</b> | <b>473.61</b> | <b>543.63</b> | <b>548.08</b> |



## CITY OF KIRKLAND PAYMENTS TO OTHER AGENCIES

Approximately \$38.4 million, or 13.8 percent, of the City's total 2013-2014 budget for general government operations, water/sewer operations, surface water management operations, and solid waste operations is paid to other governmental agencies or other outside vendors. The City either absorbs annual increases in payments to other agencies through growth in general revenue sources (e.g. Air Pollution Control) or passes them along to users through charges for service (e.g. Sewage Treatment and Water Purchases).

| Service  | Agency                 | 2011-2012 Budget  | 2013-2014 Budget  |
|--|------------------------|-------------------|-------------------|
| Sewage Treatment <sup>1</sup>                          | King County            | 13,106,785        | 14,540,725        |
| Alcohol Treatment <sup>1</sup>                         | King County            | 39,392            | 6,885             |
| Air Pollution Control <sup>1</sup>                     | King County            | 89,192            | 89,395            |
| Prisoner Expense <sup>1</sup>                          | Various <sup>2</sup>   | 3,471,597         | 2,208,918         |
| Marine Patrol  | King County            | 195,040           | 186,320           |
| Hazardous Waste Fee <sup>1</sup>                       | King County            | 713,856           | 915,000           |
| Solid Waste "Tipping" Fees <sup>1</sup>                | King County            | 6,617,409         | 6,397,945         |
| Election Costs <sup>1</sup>                            | King County            | 392,000           | 643,600           |
| <b>Subtotal King County</b>                            |                        | <b>24,625,271</b> | <b>24,988,788</b> |
| Water Purchase <sup>1</sup>                            | Cascade Water Alliance | 8,394,892         | 8,576,884         |
| Police and Fire Dispatch <sup>1</sup>                  | NORCOM                 | 4,664,437         | 4,699,487         |
| State Purchasing Contract <sup>1</sup>                 | State of Washington    | 8,500             | 8,500             |
| Financial Audits <sup>1</sup>                          | State of Washington    | 131,760           | 157,000           |
| <b>Total Payments to Other Agencies</b>                |                        | <b>37,824,860</b> | <b>38,430,659</b> |
| <b>Percent Increase (Decrease) from Prior Biennium</b> |                        |                   | <b>1.60%</b>      |

<sup>1</sup> These services are mandatory contractual obligations with other governments. The rates are established by the contractor agency.

<sup>2</sup> King, Snohomish, Yakima and Okanagon Counties; and Cities of Enumclaw and Issaquah

# CITY OF KIRKLAND

## HUMAN SERVICES FUNDING

Funding for Human Services is incorporated into a variety of operating and non-operating budgets. It is important to note that budget reductions and annexation related service level changes, which impact 2012, make direct comparison difficult. The following summary provides an overview of Human Services funding for 2013-2014.

| <b>Program/Funding Source</b>  | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> |
|--|-----------------------------|-----------------------------|
| Human Services Program (includes per capita allocation)                          | 1,234,081                   | 1,417,516                   |
| Human Services Forum and Other Regional Programs <sup>1</sup>                    | 35,450                      | 11,450                      |
| Human Services Coordination  | 256,437                     | 276,009                     |
| Senior Center Operations   | 995,103                     | 1,046,969                   |
| King County Alcohol Treatment Programs   | 39,342                      | 6,885                       |
| A Regional Coalition for Housing (ARCH)--Operations <sup>2,3</sup>               | 694,525                     | 775,000                     |
| Community Youth Services Program/Teen Center                                     | 607,587                     | 620,395                     |
| Teen Mini Grants   | 17,000                      | 17,000                      |
| Domestic Violence Programs   | 499,532                     | 515,458                     |
| Police School Resource Program   | 241,765                     | 259,205                     |
| Senior Discounts for Utility and Garbage Services                                | 70,429                      | 78,967                      |
| Kirkland Cares (assistance with utility bills from utilities customer donations) | 8,000                       | 8,000                       |
| Specialized Recreation Program   | 14,000                      | 14,000                      |
| Recreation Class Discounts   | 2,000                       | 2,000                       |
| <b>Total Human Services Funding</b>  | <b>4,715,251</b>            | <b>5,048,854</b>            |

**TOTAL SPENDING PER CAPITA 2011-2012: \$57.87**

**TOTAL SPENDING PER CAPITA 2013-2014: \$61.96**

<sup>1</sup> 2011-2012 includes one-time contribution from the Council Special Projects Reserve for Eastside Severe Winter Weather Shelter (\$15,000)

<sup>2</sup> 2011-12 ARCH funding reflects the ongoing base budget amount of \$122,525, a one-time service package request for a 2011-12 of \$432,000. An annexation service package request increased the ongoing base amount by \$65,000, along with one-time contribution of \$75,000 in 2012.

<sup>3</sup> 2013-14 ARCH funding reflects the base budget amount of \$175,000, and a service package request for 2013-14 of \$600,000

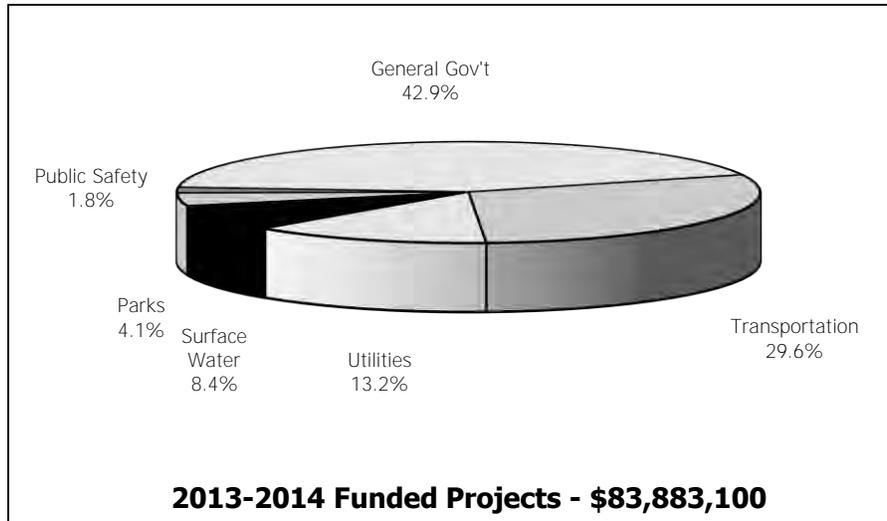
## CITY OF KIRKLAND SUMMARY OF LEGAL SERVICES

General legal counsel is provided by the in-house City Attorney's Office. By contract, a special legal counsel provides legal advice on selected land use and other matters to the City Council. Prosecution and public defender services are provided by outside attorneys through contracts with the City. The 2013-2014 budget includes an increase in Prosecution and Public Defender Legal Services for the annexation area. In certain specialized matters, the City is represented by other outside counsel. The Litigation Reserve budget for 2013-2014 reflects setting aside funds for outside counsel in the event they were needed to resolve a potential legal matter.

| <b>Legal Service</b>                                  | <b>Budgeted Fund/Department</b>                         | <b>2011-2012 Budget</b> | <b>2013-2014 Budget</b> | <b>Percent Change</b> |
|---|---|-------------------------|-------------------------|-----------------------|
| <b><i>General Legal Services</i></b>                  | General Fund/City Attorney                              | 1,321,110               | 1,369,783               | 3.68%                 |
| <b><i>Litigation Reserve</i></b>                      | Non-Operating Funds<br>(Outside Counsel for Litigation) | 75,000                  | 350,000                 | 366.67%               |
| <b>Subtotal General Legal Services and Litigation</b> |   | <b>1,396,110</b>        | <b>1,719,783</b>        | <b>23.18%</b>         |
| <b><i>Public Safety Legal Services</i></b>            |   |                         |                         |                       |
| Prosecution   | General Fund/City Attorney                              | 677,200                 | 773,400                 | 14.21%                |
| Public Defender                                       | General Fund/City Attorney                              | 439,100                 | 508,800                 | 15.87%                |
| <b>Subtotal Public Safety Legal Services</b>          |   | <b>1,116,300</b>        | <b>1,282,200</b>        | <b>14.86%</b>         |
| <b>Total All Legal Services</b>                       |   | <b>2,512,410</b>        | <b>3,001,983</b>        | <b>19.49%</b>         |

# ***CAPITAL IMPROVEMENT PROGRAM (CIP)***

## **CIP AT A GLANCE**



- **TRANSPORTATION** includes improvements to streets, sidewalks, intersections, and non-motorized facilities.
- **SURFACE WATER** includes improvements to the City's surface water management system
- **UTILITIES** includes maintenance, replacement, and new capacity improvements for the City's water and sanitary sewer systems.
- **PARKS** includes projects for acquisition, development, repair, and replacement of park facilities and equipment and improvements to the Kirkland Cemetery.
- **PUBLIC SAFETY** includes buildings and equipment to support the City's police, fire, and emergency management functions.
- **GENERAL GOVERNMENT** includes improvements that are not specific to other areas and benefit all (or several) functions.

More information regarding capital projects is provided in this document on pages 352-361, 395-399, and 417-420. Project details are available electronically with **an interactive map on the City's website** [http://www.kirklandwa.gov/depart/Public\\_Works/Capital\\_Improvements.htm](http://www.kirklandwa.gov/depart/Public_Works/Capital_Improvements.htm)

## **CIP POLICIES AND PROCESS**

The City will establish and implement a Comprehensive Six-Year Capital Improvement Program that will be prepared and formally adopted by the Council biennially during an odd-numbered year. **In the "off"** years, however, the CIP can be modified as needed by Council based on changing priorities or new funding source opportunities.

A capital improvement is defined as the construction of new facilities; the expansion, large scale renovation, or replacement of existing facilities; the acquisition of land; or the purchase of major pieces of equipment, including major replacements funded by the Equipment Rental Fund or those that are associated with newly-acquired facilities.

A capital improvement must meet all of the following criteria:

- It is an expenditure that can be classified as a fixed asset.
- It has an estimated cost of \$50,000 or more (with the exception of land).

- It has a useful life of ten years or more, with the exception of certain equipment that may have a shorter life span.

The six-year CIP includes projects that replace or maintain existing assets, provide required capacity needed to meet growth projections and the adopted level of service, and projects that enhance capacity or services to the public.

### **PROCESS FOR DEVELOPING THE CIP**

All capital improvement projects are subject to a biennial review and revision based upon community needs, priorities, and the availability of funding. The process reflects the need to periodically re-assess and re-prioritize the City's capital needs and includes the following steps:

- Each department is responsible for planning and prioritizing all capital project proposals within their scope of operational responsibility. Departments are provided broad funding guidelines and prepare descriptions of new projects to be considered, revisions to existing projects, and a progress report for current year projects.
- The City Manager reviews each department's requests and a recommended Preliminary Capital Improvement Program is prepared for consideration by the City Council.
- The City Council holds a public hearing to gather citizen comment and revises and/or adopts the CIP recommendation.
- The capital improvement budget for the first and second year of the adopted CIP are formally adopted by the City Council as part of the biennial budget process.
- During the first year of the adopted CIP (an odd-numbered year) an update is prepared by the departments and adopted by the Council to recognize any project modifications resulting from new funding opportunities, changing priorities and project timing changes. The second year of the revised capital improvement budget is incorporated into and adopted with the mid-biennial budget update.
- The City Manager and City departments implement the first two years of the CIP, providing periodic progress reports and updates to the City Council.

### **FUNDING**

There are four major categories of funding for CIP projects: current revenue, reserves, debt and external sources.

**Current Revenue** is the estimate of annual new revenue that will be received from existing, authorized revenue sources. Certain revenue streams historically have been dedicated to funding the CIP either through legal mandate or Council policy. The funded projects in the CIP acknowledge those funding sources and also utilize reserves to some extent.

Legal restrictions apply to some revenue sources. Gas tax is dedicated to transportation purposes. Utility connection charges and utility rates are restricted to utility projects. The first quarter percent real estate excise tax is restricted to capital purposes, but can be utilized for almost any category of capital projects (except computer equipment). The second quarter percent real estate excise tax is designated for transportation capital improvements. Road impact fees are dedicated to transportation capital improvements that provide new capacity. Park impact fees are likewise dedicated to park purposes. Recently voter-approved property tax levy lid lifts provide funding for transportation and park projects.

**Reserves** are cash resources that accumulate from prior years and are derived from a variety of revenue sources. The CIP utilizes reserves to a limited extent to fund projects. Although use of reserves is always an option to supplement annual revenue streams, it is a one-time solution using a finite resource. Reserves are used to address short term or time-limited funding deficits.

The 2013-2014 Budget also includes sinking funds for public safety and information technology equipment replacements that are funded by transfers-in of current revenues.

**Debt** represents a commitment to repay over a long period of time. Debt can take a number of forms including voter-approved general obligation bonds, councilmanic (non-voted) bonds, and utility revenue

bonds. The City also has been awarded low interest loans from the State's Public Works Trust Fund that have an interest rate of one to three percent, depending on the amount of the City's matching funds.

**External Sources** are primarily grants, but could include contributions from the private sector or other governmental agencies.

Some capital projects generate future operating costs that are considered when the Council reviews the CIP. Operating costs are listed in the detailed project summaries of the CIP. New operating costs for 2013-2014 that are related to completed CIP projects are highlighted in each department's summary. Projects approved for 2013-2014 are included in the General Government and Utilities non-operating sections of this document. Estimated operating impacts are also included in the summary of 2013-2014 projects.

The table below summarizes annual funding sources as presented in the 2013-2018 CIP.

| <b>Dedicated Revenue</b>  | <b>2013</b>   | <b>2014</b>   | <b>2015</b>  | <b>2016</b>  | <b>2017</b>  | <b>2018</b>  | <b>6-Year Total</b> |
|---|---------------|---------------|--------------|--------------|--------------|--------------|---------------------|
| <b>Transportation</b>   |               |               |              |              |              |              |                     |
| Gas Tax   | 558           | 575           | 592          | 610          | 628          | 647          | <b>3,610</b>        |
| Sales Tax   | 270           | 270           | 270          | 270          | 270          | 270          | <b>1,620</b>        |
| Utility Rates   | 950           | 950           | 950          | 950          | 950          | 950          | <b>5,700</b>        |
| Real Estate Excise Tax (REET) 1                                       | 353           | 364           | 375          | 386          | 397          | 409          | <b>2,284</b>        |
| Real Estate Excise Tax (REET) 2                                       | 1,071         | 1,103         | 1,136        | 1,170        | 1,205        | 1,242        | <b>6,927</b>        |
| Impact Fees   | 350           | 350           | 350          | 350          | 350          | 350          | <b>2,100</b>        |
| Street & Pedestrian Safety Levy                                       | 2,345         | 2,600         | 2,600        | 2,600        | 2,600        | 2,600        | <b>15,345</b>       |
| Parks Levy*   | 500           | -             | -            | -            | -            | -            | <b>500</b>          |
| Solid Waste Street Preservation                                       | 300           | 300           | 300          | 300          | 300          | 300          | <b>1,800</b>        |
| REET 2 Reserve  | 480           | 480           | 480          | 480          | 480          | 480          | <b>2,880</b>        |
| External Sources  | 5,693         | 5,692         | 2,501        | -            | -            | -            | <b>13,886</b>       |
| <b>Subtotal Transportation</b>  | <b>12,870</b> | <b>12,684</b> | <b>9,554</b> | <b>7,116</b> | <b>7,180</b> | <b>7,248</b> | <b>56,652</b>       |
| <b>Parks</b>  |               |               |              |              |              |              |                     |
| Real Estate Excise Tax 1 (REET)                                       | 718           | 740           | 762          | 785          | 808          | 832          | <b>4,645</b>        |
| Impact Fees   | -             | -             | -            | -            | -            | -            | <b>-</b>            |
| Parks Levy*   | 750           | 1,250         | 1,250        | 1,250        | 1,250        | 1,250        | <b>7,000</b>        |
| REET 1 Reserve  | 100           | -             | -            | -            | -            | -            | <b>100</b>          |
| External Sources  | 118           | 118           | -            | -            | -            | 500          | <b>736</b>          |
| <b>Subtotal Parks</b>   | <b>1,686</b>  | <b>2,108</b>  | <b>2,012</b> | <b>2,035</b> | <b>2,058</b> | <b>2,582</b> | <b>12,481</b>       |
| <b>General Government: Technology, Facilities &amp; Public Safety</b> |               |               |              |              |              |              |                     |
| General Fund Contributions for:                                       |               |               |              |              |              |              |                     |
| Public Sfty. Equip. Sinking Fund                                      | 1,500         | 500           | 500          | 500          | 500          | 500          | <b>4,000</b>        |
| Technology Equip. Sinking Fund  | 950           | 450           | 450          | 450          | 450          | 450          | <b>3,200</b>        |
| Utility Rates   | 150           | 203           | 150          | 150          | 150          | 150          | <b>953</b>          |
| IT Fund Operating Cash  | -             | -             | 193          | -            | -            | -            | <b>193</b>          |
| Facilities Life Cycle Reserve   | 90            | 357           | 390          | 223          | 617          | 858          | <b>2,535</b>        |
| Maj Sys Replacement Rsv   | 246           | -             | -            | -            | -            | -            | <b>246</b>          |
| General Capital Reserves  | 6,241         | -             | -            | -            | -            | -            | <b>6,241</b>        |
| Debt  | 25,042        | 827           | 4,532        | -            | -            | -            | <b>30,401</b>       |
| External Sources  | 2,002         | 624           | 3,419        | -            | -            | -            | <b>6,045</b>        |
| <b>Subtotal General Government</b>                                    | <b>36,221</b> | <b>1,634</b>  | <b>1,168</b> | <b>1,048</b> | <b>1,731</b> | <b>1,617</b> | <b>53,814</b>       |
| <b>Utilities</b>  |               |               |              |              |              |              |                     |
| Utility Connection Charges  | 865           | 865           | 865          | 865          | 865          | 865          | <b>5,190</b>        |
| Utility Rates - Surface Water   | 1,588         | 1,588         | 1,588        | 1,588        | 1,588        | 1,588        | <b>9,528</b>        |
| Utility Rates - Water/Sewer   | 2,408         | 2,408         | 2,408        | 2,408        | 2,408        | 2,408        | <b>14,448</b>       |
| Debt  | 886           | 3,152         | -            | -            | -            | -            | <b>4,038</b>        |
| Reserves  | 4,885         | 53            | 1,450        | -            | 1,450        | -            | <b>7,838</b>        |
| External Sources  | 168           | 168           | -            | -            | -            | -            | <b>336</b>          |
| <b>Subtotal Utilities</b>   | <b>10,800</b> | <b>8,234</b>  | <b>6,311</b> | <b>4,861</b> | <b>6,311</b> | <b>4,861</b> | <b>41,378</b>       |

\*\$500,000 of Park Levy funding in 2013 is allocated for Cross Kirkland Corridor Master Plan in the Transportation CIP

## POLICY ISSUES

Funding for capital projects continues to be a major issue facing the City. While progress has been made over the year in some areas (e.g. Parks), funding for transportation improvements has been below the level needed to meet many of the projects identified in the master planning processes. Two property tax levy lid lifts were approved by Kirkland voters in 2012 that will provide additional funding for street preservation, pedestrian safety, and park projects, which are included in the current CIP.

Some specific funding sources for capital projects have been negatively impacted by the economic downturn (real estate excise tax, impact fees, and investment interest). While the first two revenues appear to be stabilizing, they are still at lower levels than generated in the past and the 2013-2018 CIP takes this into account. Investment interest revenue was historically a source of funding for some general government projects. This revenue has remained very low due to the current interest rate environment, which has created a funding deficit related to these needs. To address this issue, the City Council approved a sinking fund concept to provide stable funding for replacement of major public safety and technology infrastructure equipment that are included in general government projects. The sinking fund is funded from General Fund revenues, so this obligation has been incorporated in the operating budget as of 2013-2014. The City has already established sinking funds for capital projects related to vehicle replacements and maintenance and repair of City-owned facilities.

Assessing capital needs in the new neighborhoods is a continuing process. The 2013-2018 CIP addresses some near-term needs, including NE 132<sup>nd</sup> Square Park Playfield and Edith Moulton Park renovations, surface water infrastructure repair at NE 141<sup>st</sup> Street, Juanita Drive Corridor Study and placeholder projects to address emerging issues for non-motorized and surface water projects.

## PROJECT HIGHLIGHTS

### **Notable project highlights for 2013-2014 include:**

**Parks** — The property tax levy lid lift approved by voters in 2012 provides additional funding for projects, which for 2013-2014 include neighborhood park land acquisition, dock and shoreline renovations, Waverly Beach Park renovation, and Edith Moulton Park renovation.

**Facilities** — The City took advantage of an opportunity to issue debt at historically low interest rates toward the end of 2010 to address a significant facility issue facing the City—space. Major projects addressing the space issue in 2013-2014 include construction of the Public Safety Building, which will house the City's Police Department, Jail, and Municipal Court, and subsequent major renovation of City Hall. There is also a project to consolidate two fire stations into a new facility, which is on hold pending the outcome of a study regarding the feasibility of a regional fire authority.

**Transportation** — The property tax levy lid lift approved by voters in 2012 provides additional funding for street preservation, which supports the goal of dependable infrastructure. The levy will also provide funding for pedestrian safety projects, including safe school walk routes. The City acquired the 5.75 mile segment of rail corridor running through the middle of the city from the Port of Seattle in 2011. The corridor passes through several neighborhoods and connects two important transportation hubs. A master planning process will start for the "Cross Kirkland Corridor" in 2013-2014, as well as construction of an interim trail. More information can be found on the City's website

[http://www.kirklandwa.gov/Community/Cross\\_Kirkland\\_Corridor/About/Cross\\_Kirkland\\_Corridor.htm](http://www.kirklandwa.gov/Community/Cross_Kirkland_Corridor/About/Cross_Kirkland_Corridor.htm)

Other significant projects include implementation of an intelligent transportation system to address traffic congestion, Park Lane pedestrian improvements and the extension of NE 120<sup>th</sup> Street, a key component for economic development of an important business district—the Totem Lake area.

**Utilities (Water and Sewer)** — The City is making significant investments in watermain and sewermain replacements in the NE 85<sup>th</sup> Street Corridor, which is another important business district. The Emergency Sewer Construction Program enables property owners on private septic systems the opportunity to connect to the public sewer system, which supports the City's goal of eliminating private septic systems.

**Surface Water** — Flooding in the Totem Lake area has been a problem and impediment to development in the Totem Lake area. Projects for culvert replacement and other flood control measures are included in the 2013-2014 CIP to address this issue.

# city of kirkland



# performance measures 2011

# ACKNOWLEDGEMENTS

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Economic Development Program

Finance & Administration

Fire & Building Department

Neighborhood Services Division

Parks & Community Services

Planning Department

Police Department

Public Works

## Commissions & Committees

Economic Development Committee

Human Services Advisory Committee

Transportation Commission

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# TABLE OF CONTENTS

Mayor’s Introduction:.....page 4

City Council Values and Goals:.....page 5

Introduction to Performance Measures:.....page 6

Key Findings:.....page 7

Neighborhoods:.....page 8

Public Safety:.....page 10

Human Services:.....page 12

Balanced Transportation:.....page 14

Parks and Recreation:.....page 16

Housing:.....page 18

Financial Stability:.....page 20

Environment:.....page 22

Economic Development:.....page 24

Dependable Infrastructure:.....page 26

Data Sources:.....page 28

# MAYOR'S INTRODUCTION

Welcome to the City of Kirkland's 2011 Performance Measures Report!

According to the community visioning process, our residents see Kirkland as "an attractive, vibrant, and inviting place to live, work and visit. Our lakefront community is a destination for residents, employees, and visitors. Kirkland is a community with a small-town feel, retaining its sense of history, while adjusting gracefully to changes in the twenty-first century."

Our annual performance measures report demonstrates to you, our community, what the City is doing to achieve the goals in ten service areas. The service areas were identified as priorities by the City Council and our biennial community survey. In this report, you will see evidence of progress the City has made toward each goal as well as areas in need of improvement. In these challenging financial times, the City is working hard to maintain and improve essential services in cost-efficient and effective ways.

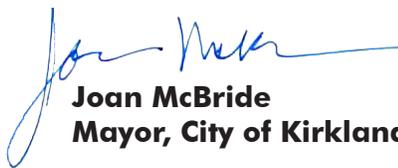
Beginning in 2010 we redesigned the report around the Council goals as they speak to the community's vision for our city. Our format provides a comprehensive, cohesive and cross-departmental view of the City's services and programs.

To align the City's services with our vision statement, the Council established ten service areas, value statements and goals in 2009. The goals help the Council to develop policy strategically, moving Kirkland toward its 2022 vision. The Council reaffirms the goals annually to ensure they continue to speak to the needs of our community.

Performance measures are an important step in the community visioning and planning processes. They help the City acknowledge successes and make resource decisions to address needs of the community that current services may not meet. In tough economic times, measuring progress toward the Council goals is especially important in helping the Council to allocate scarce resources where they are most needed.

As we welcomed the Finn Hill, Juanita and Kingsgate neighborhoods into our city in 2011, future resident surveys and performance measure reports will provide a picture of resident and business satisfaction and needs throughout the larger city.

We hope you will find this report a helpful tool for reviewing and understanding the services provided by the City of Kirkland. We are excited to share our report card with you and look forward to continued improvement and achievement to make Kirkland a great place to live, work, and play.

  
**Joan McBride**  
**Mayor, City of Kirkland**



# CITY COUNCIL VALUES AND GOALS

The purpose of the City Council Goals is to articulate key policy and service priorities for Kirkland. Council goals guide the allocation of resources through the budget and capital improvement program to assure that organizational work plans and projects are developed that incrementally move the community towards the stated goals. Council goals are long term in nature. The City's ability to make progress towards their achievement is based on the availability of resources at any given time. Implicit in the allocation of resources is the need to balance levels of taxation and community impacts with service demands and the achievement of goals. In addition to the Council goal statements, there are operational values that guide how the City organization works toward goal achievement:

- **Regional Partnerships** – Kirkland encourages and participates in the regional approaches to service delivery to the extent that a regional model produces efficiencies and cost savings, improves customer service and furthers Kirkland's interests beyond our boundaries.
- **Efficiency** – Kirkland is committed to providing public services in the most efficient manner possible and maximizing the public's return on their investment. We believe that a culture of continuous improvement is fundamental to our responsibility as good stewards of public funds.
- **Accountability** – The City of Kirkland is accountable to the community for the achievement of goals. To that end, meaningful performance measures will be developed for each goal area to track our progress toward the stated goals.  
  
Performance measures will be both quantitative and qualitative with a focus on outcomes. The City will continue to conduct a statistically valid citizen survey every two years to gather qualitative data about the citizen's level of satisfaction. An annual Performance Measure Report will be prepared for the public to report on our progress.
- **Community** – The City of Kirkland is one community composed of multiple neighborhoods. Achievement of Council goals will be respectful of neighborhood identity while supporting the needs and values of the community as a whole.

The City Council Goals are dynamic. They should be reviewed on an annual basis and updated or amended as needed to reflect citizen input as well as changes in the external environment and community demographics.

Kirkland is an attractive, vibrant and inviting place to live, work and visit. Our lakefront community is a destination for residents, employees and visitors. Kirkland is a community with a small-town feel, retaining its sense of history, while adjusting gracefully to changes in the twenty-first century.

## NEIGHBORHOODS

The citizens of Kirkland experience a high quality of life in their neighborhoods.

**Council Goal:** Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

## PUBLIC SAFETY

Ensure that all those who live, work and play in Kirkland are safe.

**Council Goal:** Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.

## HUMAN SERVICES

Kirkland is a diverse and inclusive community that respects and welcomes everyone and is concerned for the welfare of all.

**Council Goal:** Support a regional coordinated system of human services designed to meet the basic needs of our community and remove barriers to opportunity.

## BALANCED TRANSPORTATION

Kirkland values an integrated multi-modal system of transportation choices.

**Council Goal:** Reduce reliance on single occupancy vehicles and improve connectivity and multi-modal mobility in Kirkland in ways that maintain and enhance travel times, safety, health and transportation choices.

## PARKS AND RECREATION

Kirkland values an exceptional park, natural areas and recreation system that provides a wide variety of opportunities aimed at promoting the community's health and enjoyment.

**Council Goal:** Provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well being of the community.

## HOUSING

The City's housing stock meets the needs of a diverse community by providing a wide range of types, styles, size and affordability.

**Council Goal:** Ensure the construction and preservation of housing stock that meets a diverse range of incomes and needs.

## FINANCIAL STABILITY

Citizens of Kirkland enjoy high quality services that meet the community's priorities.

**Council Goal:** Provide a sustainable level of core services that are funded from predictable revenue.

## ENVIRONMENT

We are committed to the protection of the natural environment through an integrated natural resource management system.

**Council Goal:** Protect and enhance our natural environment for current residents and future generations.

## ECONOMIC DEVELOPMENT

Kirkland has a diverse, business-friendly economy that supports the community's needs.

**Council Goal:** Attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.

## DEPENDABLE INFRASTRUCTURE

Kirkland has a well-maintained and sustainable infrastructure that meets the functional needs of the community.

**Council Goal:** Maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

# WHY MEASURE OUR PERFORMANCE?

Measuring performance provides a quantifiable way in which to see successes and areas in need of improvement. The City's progress is measured against data from previous years, targets set in master plans and benchmarks with other communities. By measuring our programs using a variety of data, we can see how Kirkland's present state relates to its past indicators and future plans.

Ultimately, the measures provide direction for resource allocation and help determine which policies and programs most effectively serve the community's needs.

Performance measures offer transparency and allow the public to hold the City accountable. The report highlights important City programs and services to inform the community what the City is doing for you. The report provides insight into costs, successes, areas of improvement, and citizen satisfaction as determined by the biennial community survey.

## **f**ORMAT OF REPORT

Performance measures provide a logical connection between City resources and desirable community outcomes through a "so that" format. If the City devotes resources to a service area, then they should be able to achieve desired outcomes in line with the Council goal.

Each service area includes a performance measures chart of City inputs, outputs, results and outcomes, and an analysis of the measures based on benchmarks and targets. Each section provides a description of why the specific measures were chosen, how the City is performing, and how the City is working towards achieving the goals.

Data comes from budgeted funding in final budget and Capital Improvement Program documents, department program tracking, master plans, and community and business surveys in even years. Because of the expanded scope of this report, some measures have been developed this year or are being developed for future reports, and have not had data collected. Goals and performance measures will be reviewed annually. Data associated with the newly annexed neighborhoods on June 1, 2011 is not included in the 2010 report.

## **a**NNEXATION-JUNE 1, 2011

On June 1, 2011, Kirkland annexed the North Juanita, Finn Hill and Kingsgate neighborhoods. The annexation occurred in accordance with the state's Growth Management Act and a citizen vote. The annexation increased the City of Kirkland's population from 48,787 to 80,505.

The City's services will be phased in gradually to replace those formerly provided by King County as revenue sources become available.

Some of the 2011 Performance Measures reflect the larger population and staff addition. Because the annexation is being phased in, comparison to prior years is sometimes not possible.

Many of the following performance measures indicate different results, creating a break from the past trends. Neighborhood parks availability, police services, and the urban tree canopy have noticeably different performance results after annexation. Additionally, community priorities may shift with the addition of new neighborhoods, businesses and residents. In time, changing community priorities will be reflected in resource allocation to City services.

# KEY FINDINGS

The 2011 Performance Measures Report serves as a report card on the City's progress toward the ten goal areas adopted by the City Council in 2009. The report shows the relative resources devoted to each area, the volume of outputs for each area and the outcomes or actual results. Measuring program outcomes can be the most challenging exercise but is the most meaningful as it expresses whether our efforts are accomplishing the intended results. The newly-expanded report and updated format is lacking data for certain new areas of measurement. Over time, it is hoped that the report will provide a more complete picture of the City's accomplishments.

During the most recent reporting period from 2009 to 2011, the City experienced a series of financial challenges that required the City Council to make budget cuts in several priority areas. However, the City has worked hard to find ways to maintain levels of service despite reduced resources. The resulting cuts are evidenced in the changes in resource allocations in some areas.

**Neighborhoods** continue to evidence a high degree of satisfaction and participation in neighborhood programs despite the reduced funding for neighborhood projects. New communication channels such as listserv subscriptions and interactive websites help the community stay connected with City Hall and their neighbors.

**Public Safety** services consistently rate as a high priority service and citizen surveys indicate that residents feel safe walking in their neighborhoods during the day and at night. Fire and EMS response times fall below the targets, although improved 911 dispatch and turn out protocols are improving response times. A fire and emergency medical strategic plan will be completed in 2012.

**Human Services** programs are primarily provided through contracts with non-profit agencies and coordinated through a series of regional efforts. Recent economic conditions have increased demands for service as evidenced by the number of agencies requesting funding compared to the number the City was able to fund. Overall, the City has worked to maintain its level of spending per capita for human services.

**Balanced Transportation** efforts provide for safe and efficient movement of people through the city. The annexation reduced the percentage of school walk routes with sidewalks, indicating an opportunity for investment in that area.

**Parks and Recreation** has experienced a decrease in staffing over the past three years, particularly in parks maintenance. Nonetheless, citizens continue to express a high level of satisfaction with the community's parks system. The Green Kirkland program continues to leverage City resources through the use of volunteers to complete restoration of natural areas.

**Housing** diversity and affordability are a function of local zoning regulations and regional investments made through A Regional Coalition for Housing (ARCH). The City has been able to maintain its annual contributions to ARCH at a level commensurate with other local jurisdictions. Local affordable housing options continue to be added at a slow but steady pace.

**Financial Stability** is measured by the City's bond rating and reserve balances. The City Council used reserves to balance the 2009 and 2010 Budget in order to maintain services. Beginning in 2011, the City was able to begin replenishing reserves. General purpose reserve balances remain strong and the City's underlying financial policies and practices were strongly endorsed by Standard and Poor's AAA rating of the City's credit.

**Environment** is a consideration in many of the City's policies and operational practices. The City has established ambitious targets for reducing greenhouse gas emissions, reducing waste to the landfill and improving natural habitat. Kirkland continues to have the highest solid waste diversion rate in King County due to its innovative and readily-accessible recycling programs.

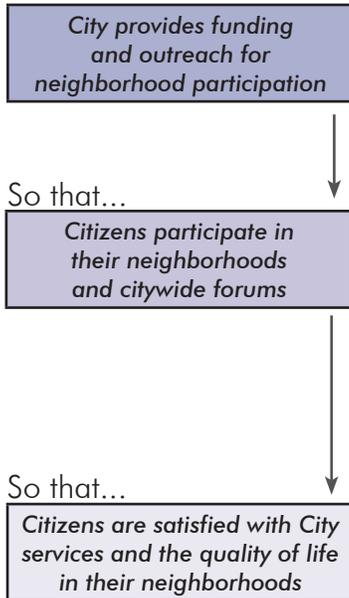
**Economic Development** is most important during economically challenging times but also most difficult. The high rate of office vacancies and decreased employment directly reflect the recession's impact on Kirkland. Citizens and businesses are satisfied with Kirkland as a place to do business and a place where residents have access to many of the goods and services they need.

**Dependable Infrastructure** is basic to a city's purpose. Funding for utility improvements remains strong, but funding for street repairs falls short of the amount needed to maintain pavement condition at optimal life cycle costs.

The City Council will review the City's performance on a regular basis to ensure they continue to express the community's needs and measure the community's progress towards the adopted goals and vision.

# NEIGHBORHOODS

**goal** Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure



| MEASURE  | 2008      | 2009     | 2010     | 2011     | Target          |
|--|-----------|----------|----------|----------|-----------------|
| Number of e-bulletins sent out   | 77        | 161      | 139      | 137      | N/A             |
| Neighborhood Connections funding   | \$125,000 | None     | \$25,000 | 0        | N/A             |
| Amount of neighborhood matching grants                                     | \$31,000  | \$27,500 | \$8,000  | \$11,130 | N/A             |
| Volunteer hours in neighborhood projects <sup>1</sup>                      | \$73,467  | \$75,170 | \$62,162 | N/A      | N/A             |
| Attendees at City Council neighborhood meetings                            | 164       | 216      | 68       | 262      | 50+ per meeting |
| Number of questions submitted to City Council neighborhood meetings        | 179       | 95       | 21       | 100      | N/A             |
| Kirkland Alliance of Neighborhoods Neighborhood U attendees                | 70        | 45       | *        | *        | N/A             |
| Citizens rate neighborhood services and programs as satisfactory or better | 79%       | **       | 80%      | **       | 90%             |
| Citizens rate neighborhood infrastructure as satisfactory or better        | ***       | **       | ***      | **       | 90%             |

<sup>1</sup> Based on national standard for volunteers' hourly worth.  
 \*Neighborhood U postponed from Fall 2010 until May 2011 to align with annexation timing  
 \*\*Community survey occurs in even years  
 \*\*\*Not included in past surveys. To be included in future surveys.

## HOW DO WE MEASURE NEIGHBORHOOD SERVICES?

E-bulletin communications, neighborhood funding and outreach programs demonstrate how the City actively connects residents with resources and stimulates participation in local government.

Rates of citizen participation in neighborhood activities reflect the neighborhood organizing work done through the Neighborhood Services Division.

Citizen satisfaction with neighborhood services and infrastructure demonstrates how well the City understands the needs of residents and subsequently invests in neighborhood planning and capital improvements.

## HOW ARE WE DOING?

- Beginning in 2011, neighborhood matching grants were awarded for a two-year period. 2011 volunteer hours will be reported at the end of 2012.
- City Council neighborhood meeting attendance has increased since 2007, with the exception of lower numbers in 2010 due to the fact that only half as many Council neighborhood meetings were held. Attendance in 2011 was high with the addition of three well-attended annexation area meetings.
- The number of questions submitted to City Council meetings in the neighborhoods reduced dramatically after postage paid "submit a question" forms were replaced with the low cost electronic version. The annexation prompted more questions in 2011.
- Citizen satisfaction with neighborhood services and programs has remained essentially the same between surveys, despite decreased neighborhood resources.

## WHAT IS THE CITY DOING?

The Neighborhood Services staff provides outreach and resources through personal contact, e-bulletins and the City website. Project creation and volunteerism enable residents to actively participate in local government, build community, and improve the quality of life in their neighborhood. The City provides opportunities for participation, but many other factors influence whether people have the time or inclination to get involved.

Neighborhood Services connects residents with citywide issues by coordinating City Council meetings in four neighborhoods per year. Citizens can talk directly to City Council members and ask questions regarding neighborhood and citywide issues.

The Kirkland Alliance of Neighborhoods (KAN), with the help of the City, leads yearly Neighborhood University sessions. These classes teach residents about city government, neighborhood organizing, and leadership. KAN meets five times a year to exchange information about neighborhood issues, network, provide educational opportunities for neighborhood leaders, and connect with city services.

The Neighborhood Connections program was originally eliminated in 2009 and 2010, but the City Council restored a portion of funding in 2010. Funding reductions in the neighborhood matching grant program and Neighborhood Connections may negatively impact citizen satisfaction with neighborhood infrastructure in the future.



Before



After

### Highlands Neighborhood Reconstructs Trail to Downtown

In a year of budget cuts, reductions in Neighborhood Matching Grants, and limited Neighborhood Connection Program funding, a community vision became reality.

The Highlands Neighborhood worked with Puget Sound Energy (PSE) and the City of Kirkland to obtain approval from King County and the Port of Seattle to reconstruct the trail leading up to and crossing the Eastside Rail Corridor below NE 85th Street.

Taking advantage of work already scheduled by PSE to upgrade a gas line, the link from the Highlands Neighborhood to downtown was restored and fully paid for by PSE.



Moss Bay Neighborhood Connection Sidewalk Connection



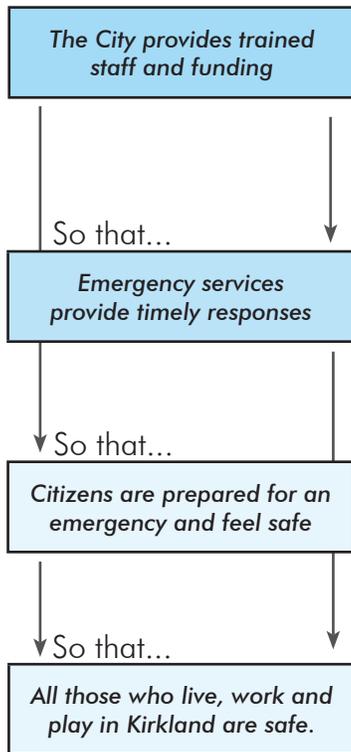
Juanita Neighborhood Connection Crosswalk Enhancement



Everest Park Gazebo Joint Rotary Club/Neighborhood Connection Project

# PUBLIC SAFETY

**goal** Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response



| MEASURE   | 2008         | 2009         | 2010         | 2011         | Target |
|---|--------------|--------------|--------------|--------------|--------|
| Total Police Services Funding   | \$15,021,285 | \$16,557,994 | \$15,613,828 | \$22,763,553 | N/A    |
| Total Fire and Emergency Management Services Funding                  | \$14,363,299 | \$15,665,379 | \$15,480,119 | \$18,119,738 | N/A    |
| Sworn Police FTE's (authorized) <sup>1</sup> per 1,000 population     | 1.38         | 1.37         | 1.33         | 1.23         | N/A    |
| Paid fire and EMS staffing per 1,000 population served <sup>2</sup>   | 1.07         | 1.08         | 1.21         | 1.20         | N/A    |
| EMS response times under 5 minutes                                    | 50%          | 48%          | 53%          | 51%          | 90%    |
| Fire response times under 5.5 minutes                                 | 53%          | 51%          | 52%          | 52%          | 90%    |
| Building fires contained to area of origin                            | 80%          | 70%          | 82%          | 84%          | 60%    |
| Citizens have at least two working smoke detectors in their residence | **           | *            | 93%          | **           | 100%   |
| Citizens are prepared for a three day emergency                       | 69%          | *            | 70%          | **           | 90%    |
| Citizens feel safe walking in their neighborhoods after dark          | 79%          | *            | 78%          | **           | 80%    |
| Citizens feel safe walking in their neighborhoods during the day      | 98%          | *            | 98%          | **           | 90%    |

<sup>1</sup> The number of police officers hired  
<sup>2</sup> Includes King County Fire District 41 because City of Kirkland has contracted with King County to provide fire services  
 \*Community survey occurs in even years  
 \*\*Not included in 2008 survey

## HOW DO WE MEASURE PUBLIC SAFETY?

Staffing and funding help the City to provide timely responses to emergencies. Response times and containing fires to the area of origin are proxy measures for good performance. The likelihood of a successful outcome is higher the faster emergency services can reach the site of the emergency. Factors that affect response times include the distances between a station and the incident, geographical barriers and traffic.

Measures from the Community Survey provide standard indicators of how citizens feel about public safety and how well they are prepared for emergencies.

## HOW ARE WE DOING?

- Kirkland residents' perceptions of safety meet or exceed the targets. Residents' feelings of safety during the day are comparable to those during the day in Bellevue (97%) and a little lower than Bellevue at night (84%).
- EMS and Fire response times fall short of the target but response times are slightly improved reflecting operational procedures and improved emergency call systems that reduce the time needed to exit the station.
- Kirkland residents' three day emergency kit preparedness falls below the target.
- Overall finding for Public Safety increased due to the staff added to serve the annexation area.

## WHAT IS THE CITY DOING?

Public Safety continues to be the community's and City Council's highest priority service. Budget reductions approved for 2009 and 2010 were targeted to protect basic response capabilities.

The Police Department approaches public safety through a highly visible community-based proactive approach. The School Resource Officer (SRO) and Neighborhood Resource Officer (NRO) serve as liaisons between the community and the Police Department, enhancing relationships and providing crime prevention outreach. The NRO and SRO also assist in identifying crime trends and strengthen the connection between the Police and our community. Police visibility and accessibility in the community helps to enhance the feeling of safety and deter crime.

The Police Department also utilizes data to best focus resources to increase safety, such as reducing pedestrian or vehicle accidents by monitoring traffic through school speed zone enforcement, conducting outreach about pedestrian safety, and enforcing crosswalk violations.

The Fire Department is planning to consolidate two fire stations on Finn Hill into one more strategically located site to improve response times to a larger area.

To help the Kirkland community prepare for emergencies, the City has trained volunteers for the Community Emergency Response Team (CERT). The Map Your Neighborhood program connects residents with information and materials to help them prepare for emergencies as a neighborhood. Project Impact offers retrofitting information and guidelines to enable residents to secure their homes against earthquake damage. The City website connects citizens to additional emergency preparedness resources, such as the Amateur Radio Emergency Services team and King County's 3 Days, 3 Ways emergency preparedness site.



### Preventing Teen Drinking and Driving at Lake Washington High School

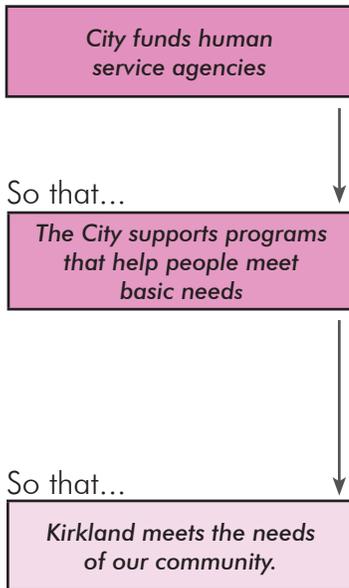
For fifteen years, the Kirkland Fire Department, the Kirkland Police Department and Youth Services have teamed up with the Lake Washington High School Prevention Action Care Team to address destructive behaviors in high school students, especially teen drinking and driving.

Every other year, Kirkland works with the King County Medical Examiner, Redmond Medic One and Airlift Northwest to deliver a message to students about the dangers of drinking and driving. The entire Lake Washington High School student body watches a simulated car accident involving a drunk driver, critical injuries and a fatality. The Police and Fire Departments respond to the crash by getting students out of the cars, testing the driver for alcohol and sending a student with critical injuries off on a simulated life flight in the Airlift Northwest helicopter.

This community effort engages many people and organizations in a proactive effort to educate high school students about the consequences and dangers of drunk driving.

# HUMAN SERVICES

**goal** Support a coordinated regional system of human services designed to meet the basic needs of our community and remove barriers to opportunity.



| MEASURE  | 2008        | 2009        | 2010        | 2011        | Target                    |
|--|-------------|-------------|-------------|-------------|---------------------------|
| Total human services funding <sup>1</sup>  | \$2,176,458 | \$2,440,583 | \$2,440,583 | \$2,202,081 | N/A                       |
| Human services funding per capita  | \$44.96     | \$49.80     | \$50.02     | \$44.92     | N/A                       |
| Number of programs funded in each community goal area:                               |             |             |             |             |                           |
| 1. Food to Eat and Roof Overhead   | 14          | 14          | 14          | 18          | N/A                       |
| 2. Supportive Relationships within Families, Neighborhoods and Communities           | 11          | 13          | 13          | 13          | N/A                       |
| 3. Safe Haven from All Forms of Violence and Abuse                                   | 8           | 8           | 8           | 9           | N/A                       |
| 4. Health Care to Be as Physically and Mentally Fit as Possible                      | 8           | 8           | 8           | 10          | N/A                       |
| 5. Education and Job Skills to Lead an Independent Life                              | 4           | 4           | 4           | 6           | N/A                       |
| Percent of Eastside residents requesting assistance that agencies were able to serve | *           | *           | *           |             | *                         |
| Funded agencies meet or exceed human services contract goals                         | 94%         | 96%         | 96%         | 95%         | 100%                      |
| Percent of applicant programs receiving funding from the City                        | 85%         | 81%         | 81%         | 77%         | 100% of eligible programs |

<sup>1</sup>Includes all human services funding as listed in the budget.  
 \*Data not collected in 2007-2010. Will be collected for 2011.

## HOW DO WE MEASURE HUMAN SERVICES?

The City is not a direct provider of human services but contracts with non-profit agencies that have multiple funding sources. The City's level of funding per capita is one indicator of the City's level of effort compared to population. Non-profit providers also have service delivery goals for serving Kirkland citizens and they are held accountable for meeting those goals.

Two challenges in measuring our success lie in the reality that human service needs do not know geographical boundaries and human services needs far outpace cities' ability to fully fund them. As a way to measure needs of the community, the City monitors the level of need in the community through anecdotal reports from agencies about the level of needs that they cannot fully meet and looks at numbers of people turned away to determine the level of need at different agencies.

## HOW ARE WE DOING?

- The City's investment in human services has steadily grown from funding seven human service programs in 1987 to 57 programs in the 2011-2012 funding cycle.
- Human Services funding increased by 1.2% between the 2007-08 and 2009-10 budget cycles but was reduced in 2011.
- The percent of applicant programs the City was able to fund decreased by 4 percentage points between the 2007-2008 and 2009-2010 and by another 4% in 2011, funding cycles due to increased amounts of funding requested.
- Nearly all of the direct service agencies consistently meet their contracted outcomes.

## WHAT IS THE CITY DOING?

The City supports human services by providing leadership, facilitation and funding regionally. The City's regional approach to funding and providing human services allows the City to act as a catalyst for improving the quality of life for Kirkland residents and makes the City's dollars go farther.

Kirkland has worked with other King County cities to help agencies access regional funding more easily by:

- Participating in a pooled funding program where cities' funds are placed in a common account to streamline the application and reporting process for each program the cities jointly fund
- Providing an on-line joint funding application with 17 other King County cities
- Launching a regional online data collection system that allows for consistent information and a better alignment of programs and funding

Additionally, the City helps to coordinate neighborhood food drives each fall, where food and cash donations are raised to benefit local food banks. Members of the Youth Council host their own food drive after the community food drives each year.

## Regional Partnerships

- Eastside Human Services Forum
- Alliance of Eastside Agencies
- Eastside Homelessness Advisory Committee
- King County Alliance for Human Services
- North/East King County Funders Group
- Eastside Healthy Start
- Eastside Winter Shelter Task Force
- Committee to End Homelessness
- King County Community Development Block Grant Consortium
- Eastside Easy Rider Collaborative
- Eastside Refugee and Immigrant Coalition

### KITH Client Moves from Victim to Victory

Terri came to Kirkland Interfaith Transitions in Housing (KITH) in 2009 as a Transitional Housing client. When she arrived, she and her preschooler had no possessions but a small backpack with clothing and personal items. She had been in a domestic violence shelter after fleeing an unsafe home. Fear dominated her life.

KITH helped her set up a new household, worked with her as she set and met goals for herself, and cheered her on as she rebuilt her life. Upon graduating from KITH's program into a safe and stable home, Terri wrote:

"As a single mom and victim of domestic violence, I turned to KITH for help in keeping my child and myself safe. Not only did KITH provide temporary housing for the both of us, they helped me take the steps I needed to provide emotional and financial stability for myself. The one-to-one time with my case manager helped me find counseling for my family, strengthening me both emotionally and spiritually, and helped keep me on track as I re-entered the work force.

In my 2 years in KITH's program, I was able to grow from a scared, homeless parent to a strong single mother, and gain the confidence I needed to break free of the violence that has dominated my life for so long."

*Story provided courtesy of KITH*

# BALANCED TRANSPORTATION

**goal** Reduce reliance on single occupancy vehicles and improve connectivity and multi-modal mobility in Kirkland in ways that maintain and enhance travel times, safety and transportation choices.

City funds active transportation options

So that...

City can implement the adopted Active Transportation and Intelligent Transportation System Plans

So that...

Kirkland has an integrated multi-modal system of transportation that provides mobility and safe travel

| MEASURE  | 2008   | 2009   | 2010   | 2011 | Target                                     |
|--|--------|--------|--------|------|--|
| Percent of Capital Improvement Program Transportation funding devoted to Active Transportation     | 17.65% | 28.76% | 34.48% | 21%  | 33%  |
| Percent of proposed Intelligent Transportation Systems projects completed                          | *      | *      | 4%     | 6%   | 100% of ITS Strategic Plan                 |
| Complete sidewalk construction on at least one side of all school walk routes                      | 78.6%  | *      | 81.1%  | 83%  | 100% by 2019                               |
| Percent of bicycle network construction improvement projects completed                             | *      | *      | 50%    | 50%  | 100% by 2018                               |
| Percentage of arterials that are complete streets  | *      | *      | 58%    | 58%  | 100%                                       |
| Residents surveyed are satisfied with maintenance of active transportation facilities <sup>1</sup> | 83%    | **     | 84%    | **   | 90%  |
| Automobile crashes involving bikes   | 12     | 8      | 17     | 14   | 0  |
| Automobile crashes involving pedestrians   | 15     | 13     | 16     | 20   | 0  |
| Percent of total trips using active transportation mode (transit, pedestrian, bicycle)             | ***    | ***    | ***    | ***  | 35% of trips in transit/other mode by 2022 |
| Major arterial travel times  | ***    | ***    | ***    | ***  | ***  |

<sup>1</sup> Active Transportation Facilities include sidewalks, bike lanes, pedestrian flags, in-pavement lights, etc

\*No data available

\*\*Community Survey occurs in even years

\*\*\*Measure being refined for future reports

\*\*\*\*2011 data excludes needs in annexation area. Assessment of need will take place in 2012.

## HOW DO WE MEASURE BALANCED TRANSPORTATION?

Kirkland's Intelligent Transportation System (ITS) Strategic Plan and Active Transportation Plan establish specific transportation goals. Measuring funding levels and the rate of project completion demonstrates the City's progress providing the infrastructure needed to create a balanced and mobile transportation system.

ITS implementation speaks to improved car and transit mobility and travel times, increased transit ridership and increased car safety. Mode-split demonstrates the number of people utilizing alternative and active transportation methods to reduce dependency on single-occupancy vehicles.

## HOW ARE WE DOING?

- The City has begun to construct an Intelligent Transportation Systems network, based on the 2008 ITS Strategic Plan. Implementation of ITS should reduce congestion and improve travel times on major arterials.
- Measures of sidewalk construction, bicycle network and complete streets provide baseline data for future reports.
- Resident satisfaction with the maintenance of active transportation facilities falls below the targeted level of satisfaction.
- Bicycle and pedestrian accidents have increased, as shown in number of automobile crashes involving bikes or pedestrians.

## WHAT IS THE CITY DOING?

Providing a reliable, safe and efficient transportation system in Kirkland is achieved by maximizing the efficiency of the existing transportation network and encouraging alternative modes of transportation that help reduce congestion.

The City monitors traffic and increases mobility through intelligent transportation systems that use tools such as signal timing, traffic monitoring, real-time traffic information and transit signal priority. The City earned a \$1.8 million grant to improve traffic signal infrastructure and implement ITS.

Kirkland's Active Transportation Plan calls for "More People, More Places, More Often." To accomplish this goal, the City works to improve mobility and access to alternative transportation options by:

- Developing a Cross Kirkland Trail for pedestrians and bicycle traffic
- Reducing accident rates between cars, pedestrians and bicyclists
- Constructing and maintaining pedestrian and bicycle facilities
- Increasing the number of children who use active transportation to get to school
- Improving the safety of people crossing the street
- Removing physical barriers to walking
- Making bicycling more convenient

Kirkland was the first city in Washington State to pass a "Complete Streets" ordinance to encourage the development of streets for all users. Complete streets include facilities for various transportation modes that are appropriate for the specific street, including crosswalks, bike lanes and traffic calming devices.

The City has set targets for active transportation facility construction, installed in-pavement lights at crosswalks, established the "Take it to Make it" pedestrian crosswalk flag program, and publicized neighborhood walk routes. In 2009 and 2010, the City striped 3.5 miles of additional bike lanes, completed the 99th/100th Ave sidewalk in the Juanita Neighborhood and completed the 116th Ave active transportation facilities, including sidewalks, bike lanes and lighting.



### Kirkland Steppers

The Kirkland Steppers launched their eighth year of fun walking opportunities this past spring with close to one hundred participants. The Kirkland Steppers is a bi-weekly walking program where walkers use Kirkland's numerous pedestrian facilities to promote health and wellness goals and pedestrian safety.

The program was developed to motivate otherwise sedentary adults age 50+ to start a regular life-long commitment to fitness while having fun. Although this is designed as a four month program, many of the walkers make it an ongoing Kirkland walking program by meeting year round.

The Steppers are one of the largest and most visible adult walking groups in Kirkland. For this reason the Kirkland Steppers, as conscientious walkers, are the community's role models for safe pedestrian practices.

# PARKS AND RECREATION

**goal** Provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well-being of the community.

Staff and volunteers maintain parks and run recreation programs

City invests in parks and recreational programs

So that...

City progresses on the Park, Recreation and Open Space Plan

So that...

Kirkland has an exceptional parks and recreation system

| MEASURE  | 2008        | 2009        | 2010        | 2011        | Target            |
|--|-------------|-------------|-------------|-------------|-------------------|
| FTE staff for parks maintenance and recreation programs  | 56.52       | 51.38       | 47.72       | 48.3        | N/A               |
| Park maintenance FTE's per 100 acres developed land      | 6.384       | 5.719       | 5.156       | 4.72        | N/A               |
| Number of volunteers                                     | 1,723       | 1,639       | 3,112       | 1,909       | N/A               |
| Volunteer hours  | 14,547      | 16,006      | 21,865      | 14,751      | N/A               |
| Parks Capital Improvement Program                        | \$1,685,000 | \$2,518,500 | \$1,220,500 | \$888,000   | N/A               |
| Parks Operating & Maintenance Funding                    | \$4,059,073 | \$3,835,398 | \$3,754,612 | \$3,726,109 | N/A               |
| Recreation Operating & Maintenance Funding               | \$1,104,880 | \$2,209,598 | \$2,072,283 | \$1,879,750 | N/A               |
| Residents with neighborhood park within 1/4 mile radius  | 72%         | 76%         | 76%         | 68%         | 100%              |
| Acres of natural area in restoration                     | 17.14       | 25.4        | 30.01       | 38%         | 379 acres by 2028 |
| Percent of recreation classes meeting minimum enrollment | 75%         | 76%         | 79.8%       | 78%         | 80%               |
| Citizens rate City parks as satisfactory or better       | 96%         | *           | 95%         | **          | 95%               |

\*Community survey occurs in even years

## HOW DO WE MEASURE PARKS AND RECREATION SERVICES?

The Comprehensive Park, Recreation and Open Space (PROS) Plan sets targets that provide benchmarks by which to measure the development and maintenance of Kirkland's parks and natural spaces, including:

- Residents should have access to a neighborhood park within a quarter mile of their home.
- All 379 acres of natural areas should be restored to their natural state by 2028.

Recreation services are measured by subscription rates. Tracking recreation class attendance demonstrates how well they match residents' preferences.

Citizen satisfaction with the parks, as determined by the Community Survey, provides another measure of how well the park system meets the community's needs.

## HOW ARE WE DOING?

- The City's funding for all areas of parks and recreation services and capital improvements was reduced in 2009 and 2010 including a 30% reduction in seasonal parks maintenance staff. Still, citizens rate the City parks highly.
- After annexation, the City fell short of the target for neighborhood park access.
- 78% of recreation classes met minimum enrollment indicating that the City provides classes that align with residents' interests.
- The City has seen an increasing number of acres of natural area in restoration in the past five years thanks to the Green Kirkland Partnership and extensive volunteer engagement. The program has surpassed the 20-year restoration plan benchmarks each year.

## WHAT IS THE CITY DOING?

Parks and recreation services enhance the quality of life and health in a community. Despite its importance to the community, parks and recreation services have had to face the reality of shrinking resources. Maintenance standards in some parks were reduced as have some of the programs offered by the department.

The community is fortunate to have the services of volunteers that are helping to bridge some of the maintenance needs. The Green Kirkland Partnership involves community organizations, businesses, and volunteers in the restoration of natural areas in parks by removing invasive plants and planting native species. Restoration provides many environmental benefits, including soil conservation, enhanced water quality through slowing storm water runoff and improving filtration, healthier habitats for native species and improved carbon removal through an increased urban tree canopy. Volunteers are essential to the program.

Partnerships with local businesses help to keep the City's active parks in shape. The Heathman Hotel has adopted Heritage Park and works with the parks crews to pull weeds, pick up garbage and keep the park looking good. Additionally, legislative changes that now allow real estate excise taxes to be used for maintenance has provided service restoration in some parks.

The City's recreation programs provide residents with opportunities to enhance their physical and mental well-being. The Recreation Division facilitated over 2,049 programs that hosted 294,089 individual visits at the North Kirkland and Peter Kirk Community Centers a school site or a City of Kirkland Park. The many activities also provide valuable volunteer opportunities for our citizens.



### Move It!

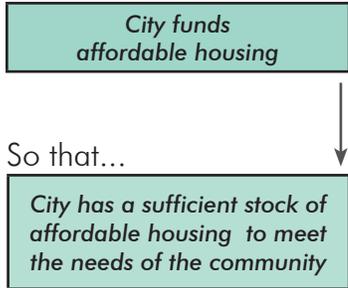
Move It! is a quarterly fitness program that gives passholders the opportunity to take a variety of classes all for one low price. Move It! offers a wide variety of fitness classes at different times to accommodate participants' fitness needs and schedules.

Move It! takes pride in its inviting and non-intimidating atmosphere. The inclusive nature of the program ensures a diverse group of participants of men and women in their mid-20s to late 50s. Instructors know the participants by name and keep the class sizes fairly small.

Over the past year, our overall attendance has increased by 20% with an average of 187 participants per quarter. Move It! is just one of many opportunities the City provides to enhance the health of its community members.

# HOUSING

**goal** Ensure the construction and preservation of housing stock that meets a diverse range of incomes and needs.



| MEASURE  | 2008      | 2009      | 2010      | 2011      | Target                               |
|--|-----------|-----------|-----------|-----------|--------------------------------------|
| City contributions to ARCH Housing Trust Fund (A Regional Coalition for Housing) <sup>1</sup>  | \$304,035 | \$286,570 | \$282,301 | \$294,337 | \$159,000<br>- \$269,000             |
| Percent of annual average Growth Management Act low income housing target met (units affordable to those earning less than 50% of King County median income)       | 19%       | 44%       | 0%        | *         | 100%<br>(based on 69 units per year) |
| Percent of annual average Growth Management Act moderate income housing target met (units affordable to those earning between 50-80% of King County median income) | 90%       | 50%       | 14%       | *         | 100%<br>(based on 49 units per year) |
| Total number of low and moderate income units brought online   | 58        | 59        | 7         | *         | 118 units per year                   |

<sup>1</sup>Includes General Funds, Community Development Block Grant Funds, and reallocation of affordable housing loans that have been repaid

\* ARCH data not yet available for 2011

## HOW DO WE MEASURE HOUSING?

King County’s Countywide Planning Policies determine the affordable housing targets for cities based on a variety of factors, including the projected affordable housing needs of low and moderate income households, the existing stock of market rate and subsidized housing, and the number of jobs by wage level and location.

Kirkland’s progress towards meeting those targets include affordable housing units that have been built as a result of:

- Housing Trust Fund contributions
- Housing regulations that the City has adopted, such as Accessory Dwelling Units and density bonuses
- Private housing development with market rents at affordable levels

## HOW ARE WE DOING?

- The City has been making total contributions to the ARCH Housing Trust Fund above the \$214,000 midpoint of a range that is on parity with other local cities.
- The City has been doing a reasonable job in meeting the affordable housing targets established in the Countywide Planning Policies. In particular, there has been constant progress toward the low income housing goals over the past few years.
- The appearance of lower levels of performance in 2010 is due to the terming of funding allocation. Kirkland's trust fund allocation was not allocated until 2011.

## WHAT IS THE CITY DOING?

Kirkland takes a multi-faceted approach to encourage the development of a diverse housing stock.

The City makes annual contributions to the ARCH Housing Trust Fund, a partnership of fifteen Eastside cities and King County formed with the purpose of preserving and increasing the supply of housing for low and moderate income households throughout the region. ARCH coordinates distribution of the cities' combined Housing Trust Fund support to groups creating affordable housing. It also assists member cities in developing housing policies, programs and development regulations. All of the low income units and about 10% of the moderate income units are a result of financial contributions made by the City to affordable housing projects within Kirkland and other ARCH cities through the ARCH Housing Trust Fund.

In addition to fund contributions, the City has established regulations and incentives to allow for different types of housing. About one quarter of the moderate income housing units are a result of regulatory incentives, such as Accessory Dwelling Units and density bonuses.

## HOUSING TYPES AND ORIGINS

### Affordable Housing Units Created or Preserved through ARCH Funding

- Crestline Apartments – 22 units family housing (Annexation Area)
- AIDS Housing – 5 beds special needs housing
- Kirkland Plaza – 24 units senior housing
- Petter Court – 4 units transitional housing (Annexation Area)
- Plum Court – 61 units family housing
- Friends of Youth – 6 units transitional housing
- SAHG Totem Lake Apartments – 60 units family housing

### Affordable Housing Created through Land Donation

- Habitat for Humanity – 1 unit

### Affordable Housing Created through Land Use Incentives

- Plaza on State PUD – 8 units
- Lakeview Park PUD – 2 units
- Cobblestone Court PUD – 12 units
- City Ministries PUD (Phase 1) – 3 units
- City Ministries PUD (Phase 2) – 3 units
- Luna Sol Multifamily Tax Exemption – 5 units
- Accessory Dwelling Units – 166 units

### Innovative Housing Created through Land Use Incentives

- Danielson Grove Cottage Housing – 16 units
- Kirkland Bungalows Cottage Housing – 15 units



## Transit-Oriented development comes to South Kirkland Park and Ride

The City Council and Houghton Community Council approved changes to zoning regulations in June 2011 to move forward on the transit-oriented development at the South Kirkland Park & Ride. The zoning regulations were developed with public input through a series of public meetings and hearings.

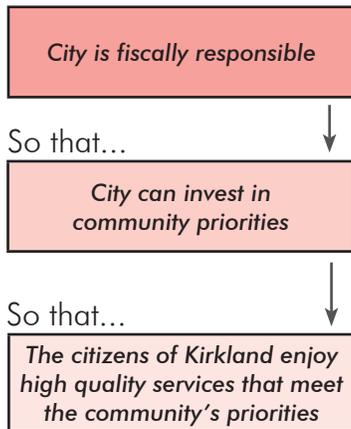
In 2008, the City Council approved amendments to the Comprehensive Plan to allow mixed use buildings to be constructed as part of a redevelopment of the Park & Ride. Federal Urban Partnership funding is available to King County for this project, dependent on the inclusion of transit-oriented development.

The proposed project will include 200-250 multi-family housing units, residential parking, and commercial space, as well as 250 additional park and ride parking spaces to increase parking capacity. The transit-oriented development would include market rate and affordable units to enable families who work in Kirkland to live here as well. The increased parking capacity will allow more Kirkland residents to have access to transit.

# FINANCIAL STABILITY

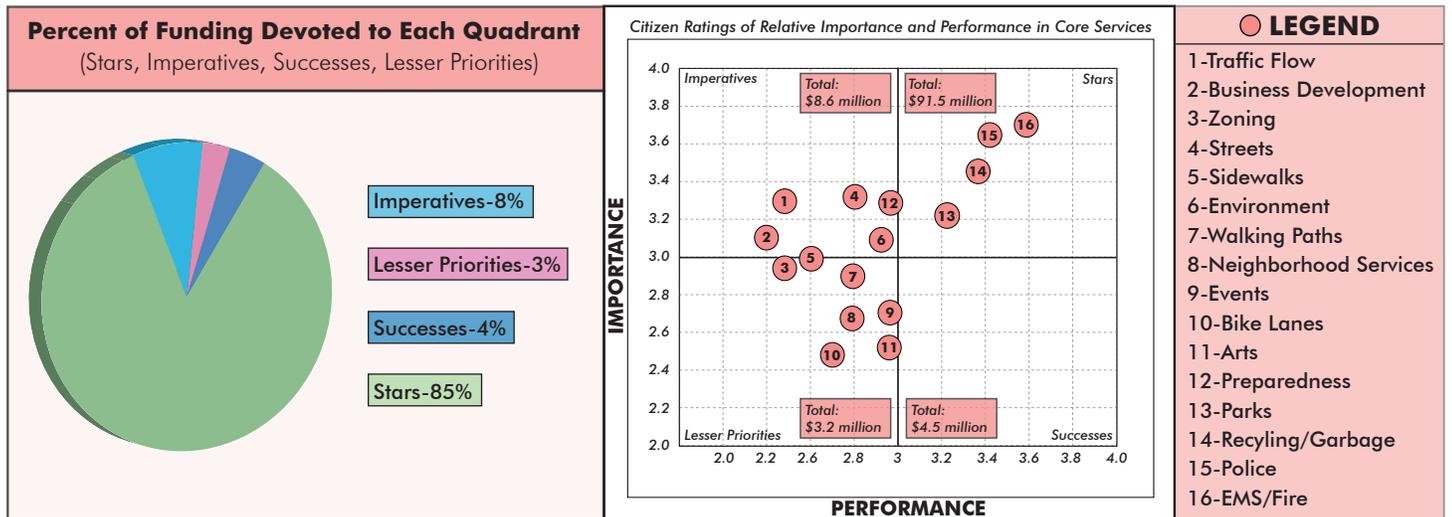
goal

Provide a sustainable level of core services that are funded from predictable revenue.



| MEASURE   | 2008 | 2009 | 2010 | 2011 | Target                         |
|---|------|------|------|------|--------------------------------|
| Minimum balance in General Purpose Contingency Reserves                                     | 89%  | 55%  | 55%  | 72%  | 80% of budgeted reserve target |
| Credit Rating   | AAA  | AAA  | AAA  | AAA  | AAA                            |
| Percent of funding allocated to high priority services (Stars and Imperatives) <sup>1</sup> | 94%  | *    | 93%  | *    | 80% of rated services          |

<sup>1</sup> Citizens rated City services by their importance and how well the City provided them. "Stars" have high importance and high performance ratings; "imperatives" have high importance and lower performance ratings.  
\*Community survey occurs in even years



## HOW DO WE MEASURE FINANCIAL STABILITY?

Available funding for reserves demonstrates the City's ability to respond to maintain basic services through economic cycles and meet unforeseen needs.

Standard and Poor's credit rating provides an external assessment of the City's financial stability and policies.

Long-term financial stability ensures the City can continue to fund priority services, which citizens determine through the community survey.

## HOW ARE WE DOING?

- The contingency reserves helped to balance the budget in the economic downturn, leading to a decrease in the minimum balance in the reserves. By the end of 2011, reserves were partially replenished.
- Standard & Poor's AAA credit rating is the highest rating that can be achieved by a municipality and saves Kirkland taxpayers money through lower interest rates when borrowing.
- A comparison of the community's service priorities with levels of funding for each service shows the City is investing in services residents identify as high priorities. Even with more constrained budgets, the City is still putting an appropriate proportion of funding into the community's priority service areas.

## WHAT IS THE CITY DOING?

The City is maintaining a stable financial base from which to fund core services. Kirkland establishes strong financial management policies by:

- Realistically estimating revenues and expenditures
- Consistently monitoring and amending the budget based on actual performance
- Creating a long-term financial plan
- Ensuring long-term capital improvement funding
- Managing investments and debt
- Maintaining reserves to offset economic downturns

The City's goal is to have reserves funded at 80% of the overall target balance that can serve as savings accounts that help the City weather unexpected economic problems. If the City spends money in the reserves due to economic conditions or unforeseen costs, the City then replenishes the reserves back to 80% of their budgeted amount consistent with adopted fiscal policies. Replenishing reserves will be a top priority as the economy recovers and the City Council will be updating reserve policies and developing a plan to replace depleted reserves.

The annexation resulted in an increase budget which is the basis for reserve targets. The City Council began a study of reserve targets and balances to determine necessary adjustments.

## AAA Credit Rating Saves Tax-payers Money

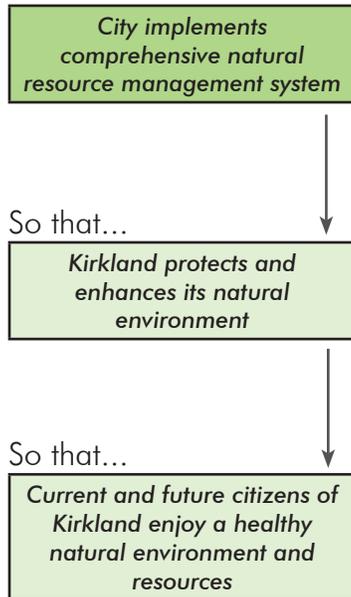
As part of the planning for annexation, Fire District 41, which was being fully annexed by the City, wanted to ensure that the City would have sufficient funds available to complete the fire station consolidation project the District had initiated. The District pursued securing a bank loan of \$4 million and was quoted an initial interest rate of 5.3% based on the assumed District credit rating of Baa-.

However, because the City was assuming the financial responsibilities of the District, the final interest rate was 3.2%, reflecting the City's strong AAA credit rating. This resulted in a savings for the District's taxpayers of over \$500,000 over the ten year life of the loan.

Based on the 2011 Standard and Poor's report, Kirkland received its AAA rating due to the City's "maintenance of very strong available reserves, strong financial policies and practices, and low debt burden relative to market value". The report further notes that the "stable outlook reflects our view that the city's strong financial management policies and practices have positioned it well to handle the transition and ongoing costs associated with its service area expansion" due to the recent annexation of the Juanita-Finn Hill-Kingsgate neighborhoods.

# ENVIRONMENT

goal **Protect and enhance our natural environment for current residents and future generations**



| MEASURE   | 2008                   | 2009                        | 2010                         | 2011                  | Target                        |
|---|------------------------|-----------------------------|------------------------------|-----------------------|-------------------------------|
| Compliance with NPDES Stormwater Permits  | 100%                   | 100%                        | 100%                         | 100%                  | 100%                          |
| Diversion rate <sup>1</sup>   | 48.6%                  | 49.3%                       | 50.1%                        | 52%                   | Increase                      |
| City building electricity use (kilowatt/hour)                                   | 3,030,298 kWh          | 2,875,575 kWh<br>-5% change | 2,581,213 kWh<br>-10% change | 2,673,621 kWh         | Decrease                      |
| City building natural gas usage (therm)   | 58,937 therm           | 68,507 therm<br>+16% change | 55,557 therm<br>-19% change  | 67,598 therm          | Decrease                      |
| Tree canopy coverage  | *                      | *                           | 36%                          | 40.7%                 | 40%                           |
| Benthic Index of Biotic Integrity in Forbes Creek <sup>2</sup>                  | 14.7                   | 17.3                        | 16                           | 18                    | Increase                      |
| Benthic Index of Biotic Integrity in Juanita Creek <sup>2</sup>                 | 19.5                   | 20.5                        | 19.5                         | 20.5                  | Increase                      |
| Waste entering landfill from residences   | 14,320 tons<br>(-7.2%) | 14,320 tons (0%)            | 13,726 tons<br>(-4.1%)       | 17,861 tons<br>(3.0%) | Annual 2.5% decrease          |
| Annual reduction in City's greenhouse gas emissions as a percent of 2005 levels | *                      | 23.4%                       | *                            | 38%                   | 80% below 2005 levels by 2050 |

<sup>1</sup> Diversion rate-percent of waste materials diverted from the landfill to be recycled, composted or reused. Includes single family and multi-family residences.

<sup>2</sup> BIBI scores of 10-15 indicate very poor, 18-26 indicate poor stream conditions. Scores are an average of the 3-4 testing sites' scores in each creek.

\* No data available due to data collection occurring less than annually.

## HOW DO WE MEASURE ENVIRONMENTAL STEWARDSHIP?

National Pollutant Discharge Elimination System (NPDES) storm water permit compliance encompasses the wide range of actions the City undertakes to improve surface water quality. The Benthic Index of Biotic Integrity provides a standard measure for the health of streams, which are vital ecosystems.

Recycling diversion rates and waste entering the landfill measure the effect of the City's waste reduction efforts.

Electricity and natural gas consumption create 40% of the City's carbon dioxide emissions, so decreasing energy usage relates to the City's reduced emissions.

Ensuring healthy urban forests and canopy coverage provides many environmental benefits, including reducing storm water runoff and removing pollution from the air.

## HOW ARE WE DOING?

- Since the NPDES Phase II Stormwater Permit became effective in 2007, Kirkland has maintained 100% compliance.
- Kirkland's single family residential adjusted diversion rate of 66% was the highest diversion rate in King County for the fifth consecutive year among cities with 500 or more customers. Kirkland's multi-family residential adjusted diversion rate is 15%, which is above King County's average of 12%.
- The City has met its greenhouse gas reduction targets for both 2012 (507 tons) and 2020 (1014 tons) by reducing annual City emissions by 23.4% from 2005 levels, a 1,188 ton reduction.
- Kirkland's tree canopy coverage increased from 36% in 2010 to 40.7% in 2011 due to addition of the annexation area.
- The Benthic Index (B-IBI) scores remain in the poor to very poor range in Juanita and Forbes Creeks.

## WHAT IS THE CITY DOING?

The City takes a comprehensive approach to environmental stewardship by restoring and protecting urban forests and bodies of water, reducing waste and greenhouse gas emissions, and providing education in the community regarding environmentally-friendly practices.

The City holds a National Pollutant Discharge Elimination System (NPDES) storm water permit, which provides strict guidelines for storm water management. Kirkland must continuously expand and improve storm water management programs in order to maintain compliance with increasingly stringent conditions. The City reduces pollutants in storm water by involving the public through education and outreach, finding and eliminating water quality violations, controlling runoff from development, operating and maintaining storm water facilities and monitoring storm water conditions. Kirkland also completes stream restoration projects to preserve and restore natural habitats. The City's car wash kits are loaned to local groups and individuals to prevent pollutants from car washing events entering the storm water system.

The City expanded food scrap and recycling programs to businesses and multi-family residences by providing collection services at no extra cost and offering recycling materials and educational outreach to participants. In 2009, the City instituted a linear rate structure, which encouraged more than 1,000 customers to switch to smaller, less expensive garbage carts that carry less waste to the landfill. Through the organization of special recycling events and programs in 2011, Kirkland diverted from the landfill 19 tons of electronic waste, 7,675 pounds of batteries, and 93 tons of reusable and hard-to-recycle materials.

The annual greenhouse gas emissions inventory of City operations measures our progress towards reducing emissions to 80% of 2005 levels by 2050. The City has reduced its greenhouse gas emissions through increasing energy efficiency, reducing waste and increasing recycling, encouraging alternative commute options and enhancing the fleet's fuel efficiency and access to alternative fuels. 71% of the 41 passenger vehicle fleet use alternative fueled vehicles.

Kirkland's comprehensive tree ordinance protects and encourages the growth of its urban tree canopy coverage, retaining valuable trees with development, reducing further loss of canopy with its tree removal limitations and requiring tree replacement planting. Additionally, the Green Kirkland Partnership's restoration projects planted 3,326 native plants, including 397 trees in 2010. This restoration aids in carbon reduction and improved storm water management.

## Green Building At City Hall

Kirkland is a pioneer in the region for green building. The Green Building team helps builders and developers adopt sustainable building practices.

The expedited permit review process for single family homes that have LEED or Built Green certifications encourages green building. The City also provides green consultations to builders to improve sustainable practices. The Green Building team is working to instill sustainable low impact development (LID) practices into the Kirkland Zoning Code.

The recent remodel of the City Hall Annex demonstrates how the City has put green building principles into practice. The Annex, a Community Landmark, was originally constructed in 1923. Despite challenges due to the building's age, the City retrofitted the Annex using the Leadership in Energy and Environmental Design (LEED) green building certification process.

Compact fluorescent lighting, operable windows, and sun shades conserve energy. Dual-flushing toilets, metered faucets, native plant landscaping and rain water barrels reduce water usage. The building was preserved with its original wood floors to reduce new building materials. Several large conifers were protected during construction and deciduous trees were planted to keep the building cool. To maintain a healthy interior environment, all interior finishes and paints and furniture minimize off-gassing of pollutants. A very significant measure of the Annex's sustainability is the preservation of the original structure and all of the embodied energy that the building represents.

In September of 2011, the Annex received a LEED Gold certification.

# ECONOMIC DEVELOPMENT

**goal** Attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.

City provides welcoming, supportive environment for businesses

So that...

Kirkland has a healthy business and tourism economy

So that...

Kirkland has a diverse, business-friendly economy that supports the community's needs

| MEASURE   | 2007      | 2008                 | 2009      | 2011      | Target        |
|---|-----------|----------------------|-----------|-----------|---------------|
| Number of businesses helped with consultant services                            | 152       | 148                  | 161       | 173       | N/A           |
| Office space vacancy rate   | 8.6%      | 30.4%                | 24.2%     | 7.9%      | Eastside: 18% |
| Lodging tax revenue   | \$212,659 | \$235,000            | \$265,000 | \$205,583 | Increase      |
| Net new businesses  | 143       | 606                  | 469       | 1,475     | Increase      |
| Visits to ExploreKirkland.org   | 191,227   | 148,442 <sup>1</sup> | *         | N/A       | Increase      |
| New Green Businesses  | 25        | 30                   | 12        | 12        | Increase      |
| Annual number of jobs   | 32,742    | 30,631               | 30,942    | N/A       | Increase      |
| Businesses are satisfied with Kirkland as a place to do business                | ***       | **                   | 75%       | **        | 80%           |
| Residents are satisfied with the availability of goods and services in Kirkland | ***       | **                   | 76%       | **        | 80%           |

<sup>1</sup> Missing one month of data in 2009  
 \* No data available due to website server crash  
 \*\*Community survey occurs in even years  
 \*\*\*Not included in past surveys.

## HOW DO WE MEASURE ECONOMIC DEVELOPMENT?

Net new businesses and office space vacancy rates provide indicators of the health of the business economy. Lodging tax revenue and visits to ExploreKirkland.org demonstrate progress in increasing the tourism base. Businesses have expressed interest in green practices in past surveys, and the number of new Green Business participants shows how well the City supports environmentally-friendly business practices. Measuring citizen and business satisfaction through surveys helps determine how well the City is moving towards its economic development goal.

## HOW ARE WE DOING?

- Kirkland's office space vacancy rate is 6.2 percentage points above the Eastside's vacancy rate.
- Actual lodging tax revenue collected fell below budgeted amounts in 2009 and 2010 and reduced further in 2011.
- Net new businesses increased in 2011 with the addition of the annexation area.
- Jobs in Kirkland decreased by 6% between 2008 and 2009, but have increased by 1% between 2009 and 2010 (2011 data not available).
- 75% of businesses surveyed rated Kirkland's business services as satisfactory or better. Businesses noted that City staff were responsive and helpful
- 76% of surveyed residents are satisfied with the availability of goods and services in Kirkland. However, citizens noted that keeping and attracting businesses was an important city service that was performing under their expectations.

## WHAT IS THE CITY DOING?

The City develops the economy of Kirkland through supporting businesses and promoting tourism. Kirkland's Economic Development Program promotes a quality business climate for Kirkland businesses, assists businesses in locating in Kirkland and provides a liaison with City departments. The success of economic development efforts is highly dependent on the general economic climate, regional policies and competing cities' policies regarding business. Local programs help sustain businesses through economic cycles by being responsive to business needs.

In the most recent survey, businesses highlighted room for improvement in taxes and licensing fees, parking, signage requirements, networking opportunities and outreach about City business services. To address businesses' concerns, the Business Retention Consultant provides outreach services to current businesses in the areas of real estate searches, zoning, permitting and business planning, including:

- Referrals to City staff, networking organizations and professional services
- One-on-one technical assistance
- Educational seminars
- Issue resolution between businesses and the City

The Kirkland Business Roundtable facilitates CEO-level discussion of economic challenges, opportunities and strategies for economic development in Kirkland. The City initiated KirklandFirst.org, encouraging residents to support local, Kirkland-based businesses and products while the Green Business program aids businesses in adopting environmentally-friendly practices and other cost-saving measures.

Tourism programs and events are promoted through the ExploreKirkland.org website, Facebook page and advertising in local and national publications. The City also offers networking opportunities for tourism purveyors.



## Suspending Change of Use Impact Fees For Existing Buildings

In response to high office vacancy rates in 2009 and 2010, the Council voted to temporarily suspend transportation impact fees charged to a business when the use of an existing commercial building is changed.

"Tenant improvements and other costs are substantial when moving into an existing space; impact fees were a significant deterrent to choosing Kirkland," notes Ellen Miller-Wolfe, Economic Development Manager. "The City has now removed a major hurdle for new ventures to locate here."

The decision was based on findings in the 2010 Competitiveness Assessment, which recommended suspending transportation impact fees for changes in use that do not involve adding new square footage.

The fee suspension does not affect impact fees for new development or the enlargement of existing buildings. The policy will end on December 31, 2013, at which time the Council will review the effectiveness of the fee suspension in strengthening the economic base of Kirkland.

# DEPENDABLE INFRASTRUCTURE

**goal** Maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

City funds and staffs infrastructure maintenance

So that...

Infrastructure monitoring indicates good conditions

So that...

Kirkland has well maintained and sustainable infrastructure that meets the functional needs of the community

| MEASURE   | 2008        | 2009        | 2010        | 2011         | Target |
|---|-------------|-------------|-------------|--------------|--------|
| Transportation Capital Projects Funding                                     | \$7,230,000 | \$6,666,200 | \$5,456,000 | \$11,515,600 | N/A    |
| Water/Sewer Capital Project Funding   | \$3,671,000 | \$4,547,900 | \$2,001,300 | \$1,450,000  | N/A    |
| Street Maintenance FTE  | 12.3        | 12.3        | 12.3        | 19.3         | N/A    |
| Water/Sewer Maintenance FTE   | 15.5        | 16.2        | 16.2        | 20.3         | N/A    |
| Pavement Condition Index <sup>1</sup> for Major and Minor Arterial Streets* | 52          | 52          | 50.3        | 60.8         | 70     |
| Pavement Condition Index for Collectors and Neighborhood Streets*           | 68          | 68          | 68          | 76.1         | 65     |
| Citizens surveyed rate street maintenance as satisfactory or better         | 93%         | **          | 94%         | **           | 90%    |
| Sewer inflow and infiltration rate  | ***         | ***         | ***         | ***          | ***    |
| Water Main Breaks   | 8           | 0           | 1           | 1            | 0      |
| Sewer Obstructions  | 0           | 3           | 3           | 0            | 0      |

\*Pavement Condition Index (PCI) is a rating of the general condition of pavements based on a scale of 0 to 100. A PCI of 100 represents a newly constructed road with no distresses; a PCI below 10 corresponds to a failed road requiring complete reconstruction; a PCI of 41 or better equates to "fair or better". Data: 2009 PCI based on 2008 survey; 2010 Collector PCI based on 2010 Collector survey and 2008 Neighborhood Street survey

\*\*Community survey occurs in even years

\*\*\*Measure being developed for future reports

## HOW IS OUR PERFORMANCE?

The normal life-cycle of the City's infrastructure drives the needs for funding, construction of capital improvement projects and general maintenance to maintain its infrastructure in cost-effective ways. Public Works maintenance divisions establish their work plans based on the number of man hours available and the number of full time equivalent (FTE) employees, which ultimately determines the level of maintenance they are able to perform.

Citizen satisfaction with streets helps determine if the City is meeting the community's infrastructure needs.

The pavement condition index (PCI) and the number of water main breaks and sewer obstructions demonstrate if the City is successfully maintaining infrastructure at required levels of service. The amount of storm water infiltration into the sanitary sewer system provides a picture of the state of repair of the sewer system.

## HOW ARE WE DOING?

- 20% of proposed transportation projects and 31% of proposed water/sewer utility projects were able to be funded in the revised 2009-2014 Capital Improvement Program with available revenue. Transportation and Utilities have high numbers of unfunded capital projects due to certain economic factors related to the construction industry, and staffing constraints. The funding available for capital projects has also decreased.
- In 2010, the Pavement Condition Index (PCI) for major and minor arterial streets fell below the target level of service and the PCI for collectors and neighborhood streets was close to the target level of service. Both measures improved with the addition of the annexation area.
- Surveyed citizens rate street maintenance as highly important. The 2010 Citizen Survey indicated that street maintenance does have a gap between performance and importance ratings, indicating there is room for improvement in the City's performance.
- The increase in transportation funding was due to the addition of the \$5 million Eastside Rail Corridor purchase.

## WHAT IS THE CITY DOING?

The Public Works Department maintains a comprehensive system of roads, sidewalks, sewer lines and water mains. All Public Works divisions respond to citizen requests for service as well as completing routine maintenance and repair projects. Larger capital projects are based on capacity needs and master plan targets.

The Streets Division ensures that roads are clean and clear, signs and pavement markings are maintained and that repairs to pedestrian and bicycle facilities are completed in a timely manner. Quick response to service requests, such as pothole repairs, extends the life of the streets and helps avoid costly reconstruction projects.

The Wastewater and Storm Water Division maintains, cleans and repairs the sewer and storm water conveyance system (lines and manholes) including ponds, tanks, ditches and swales and catch basins to assure waste water and storm water run off are safely conveyed to treatment facilities.

The Water Division is responsible for operating and maintaining the water infrastructure, including water mains, pumps, pressure reducing stations, meters and fire hydrants. Maintenance and repair of the water system reduces the number of costly water main breaks.

The Capital Improvement Program (CIP) identifies and prioritizes infrastructure repair and replacement projects and establishes a long-term funding plan. The CIP provides a plan for rehabilitation and repair to increase the lifespan of the infrastructure in the most cost-effective way. Projects are prioritized by the replacement and maintenance of existing infrastructure, providing enough capacity to meet services demands of the community.

To address the gap between the high importance of street maintenance and the lesser performance rankings, the City Council is exploring and implementing a variety of programs and funding sources to help the City keep pace with infrastructure needs including the possible formation of a Transportation Benefit District.

## Street Preservation Program

The City's Street Preservation program rates road quality on a standard scale and provides prescriptions for road repair based on the Pavement Condition Index of the road. By surveying the roads, the City is able to enact repairs early to increase the lifespan of roads at lower costs.

Streets can be maintained at optimum health at little cost to taxpayers if road repairs are implemented early. Repairing minor cracks, for example, can cost taxpayers as little as 50 cents per square yard. Repairing potholes and failed roads can cost taxpayers as much as \$50 per square yard. It's also why early detection and early maintenance are so essential to the health of the City's most basic infrastructure.

The City has increasingly turned to Slurry Seal to extend roads' life cycles at a low cost instead of overlaying them with a brand new surface.

Additionally, the City began leasing a milling machine that can prepare a street for maintenance more quickly than a traditional work crew. On top of creating time for crews to repair other streets, the milling machine has saved the City money in labor costs.

# DATA SOURCES

## Neighborhoods

Neighborhood Services Division  
2008 and 2010 Citizen Surveys

## Public Safety

Fire & Building Department  
Police Department  
2008 and 2010 Citizen Surveys  
"3 Days, 3 Ways," King County, <http://www.3days3ways.org>  
2010 Performance Survey, Bellevue, WA, [http://bellevuewa.gov/citizen\\_outreach\\_performance.htm](http://bellevuewa.gov/citizen_outreach_performance.htm)

## Human Services

Human Services Division

## Balanced Transportation

Transportation Division  
Active Transportation Plan, City of Kirkland  
Intelligent Transportation Systems Strategic Plan, City of Kirkland

## Parks and Recreation

Parks & Community Services Department  
Comprehensive Parks, Recreation and Open Spaces Plan, City of Kirkland  
2008 and 2010 Citizen Surveys

## Housing

Planning Department  
A Regional Coalition for Housing (ARCH)

# DATA SOURCES

## **Financial Stability**

Finance & Administration  
Standard and Poor's Credit Rating  
2008 and 2010 Citizen Surveys

## **Environment**

Public Works  
"Urban Tree Canopy Assessment Report," AMEC Environment & Infrastructure, Inc

## **Economic Development**

Economic Development Program  
Finance & Administration  
2008 and 2010 Citizen Surveys  
2010 Business Satisfaction Survey  
"Competitiveness Assessment: Cost of Doing Business in Kirkland," Berk & Associates  
Office vacancy rates from CB Richard Ellis Real Estate Services, Market View Puget Sound, 4th Quarter 2007-2010  
As reported in City of Kirkland 4th Quarter Financial Status Reports  
Employment numbers from the Washington State Employment Security Division  
As reported by Puget Sound Regional Council, Seattle, WA, Covered Employment by City, 2007-2010

## **Dependable Infrastructure**

Public Works  
Capital Improvement Program  
2008 and 2010 Citizen Surveys

All financial numbers are based on budgeted amounts in revised budget and Capital Improvement Program documents. Budgeted amounts show how the Council is allocating funding to priority services.

# NOTES



# NOTES





Produced by the City of Kirkland City Managers Office in cooperation with:

Parks and Community Services

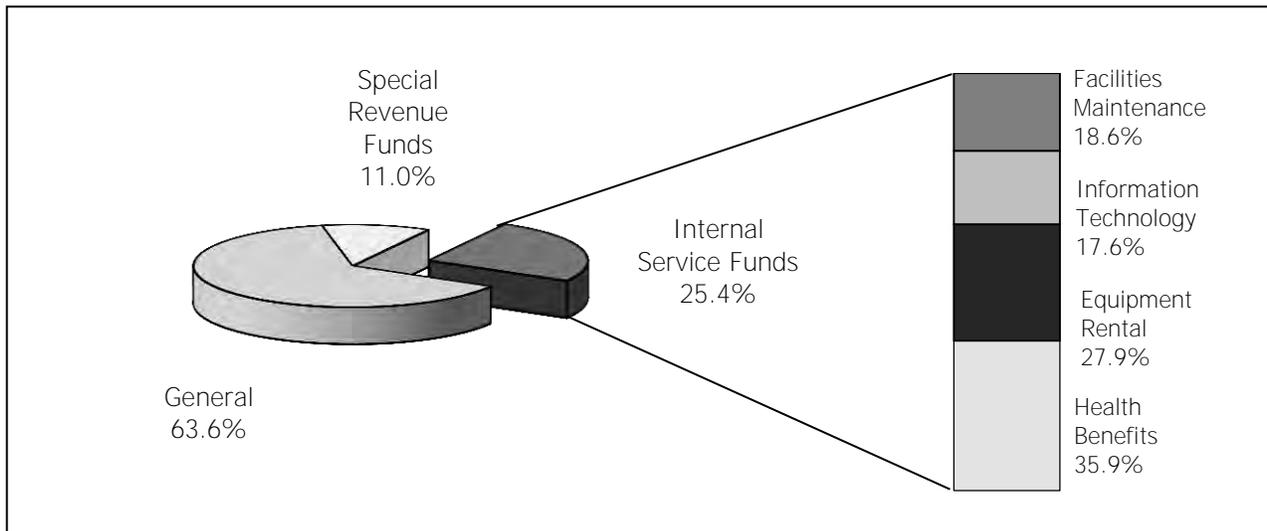
Fire and Building

Police

Public Works

Information Technology

# CITY OF KIRKLAND GENERAL GOVERNMENT OPERATING 2013-2014 BUDGET SUMMARY: BY FUND TYPE/FUND



Expenditures for the general government operations of the City are presented in ten separate operating funds. This pie shows the total operating budget by fund type. The General Fund makes up the largest portion of the operating budget and accounts for general purpose expenditures that do not have a dedicated funding source such as public safety and general government. State law requires that Washington cities adopt a balanced budget for each of their operating funds. These funds finance the normal non-utility service delivery functions of the municipality. Note that the internal service funds are, by definition, double budgeted. They appear once in their own fund and are budgeted again as expenses in the other operating funds, including utilities. The following pages summarize the various operating funds and how they are budgeted.

## Analysis of Change

| Fund  | 2011-12 Budget     | 2013-14 Budget     | Percent Change |
|---|--------------------|--------------------|----------------|
| <b>General Fund</b>                             |                    |                    |                |
| 010 General                                     | 161,361,264        | 171,626,838        | 6.36%          |
| <b>Special Revenue Funds</b>                    |                    |                    |                |
| 112 Lodging Tax                                 | 537,249            | 690,652            | 28.55%         |
| 117 Street Operating                            | 14,716,526         | 20,167,286         | 37.04%         |
| 122 Cemetery Operating                          | 762,492            | 816,308            | 7.06%          |
| 125 Parks Maintenance                           | 2,588,335          | 3,060,649          | 18.25%         |
| 128 Parks Levy Fund                             | 0                  | 5,006,077          | N/A            |
| <b>Total Special Revenue Funds</b>              | <b>18,604,602</b>  | <b>29,740,972</b>  | <b>59.86%</b>  |
| <b>Internal Service Funds</b>                   |                    |                    |                |
| 511 Health Benefits Fund                        | 15,735,691         | 24,617,930         | 56.45%         |
| 521 Equipment Rental                            | 19,155,624         | 19,090,357         | -0.34%         |
| 522 Information Technology                      | 11,460,982         | 12,061,934         | 5.24%          |
| 527 Facilities Maintenance                      | 10,769,943         | 12,771,400         | 18.58%         |
| <b>Total Internal Service Funds</b>             | <b>57,122,240</b>  | <b>68,541,621</b>  | <b>19.99%</b>  |
| <b>Total General Government Operating Funds</b> | <b>237,088,106</b> | <b>269,909,431</b> | <b>13.84%</b>  |

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2011 to Ending 2014)**  
**GENERAL GOVERNMENT OPERATING FUNDS**

|  | <b>General<sup>1</sup></b> | <b>Lodging Tax<sup>2</sup></b> | <b>Street Operating</b> | <b>Cemetery Operating</b> |
|--|----------------------------|--------------------------------|-------------------------|---------------------------|
| <b>2011 Actual Beginning Fund Balance</b>                        | <b>12,877,021</b>          | <b>146,384</b>                 | <b>3,263,983</b>        | <b>638,692</b>            |
| <i>Reserved</i>  | <i>50,000</i>              | <i>103,439</i>                 | <i>2,643,764</i>        | <i>564,350</i>            |
| <i>Unreserved Working Capital</i>                                | <i>12,827,021</i>          | <i>42,945</i>                  | <i>620,219</i>          | <i>74,342</i>             |
| Plus: 2011-12 Estimated Revenues                                 | 145,984,403                | 422,979                        | 11,842,309              | 220,342                   |
| Less: 2011-12 Estimated Expenditures                             | 140,274,944                | 345,047                        | 10,960,798              | 196,420                   |
| <b>2011-12 Estimated Ending Fund Balance</b>                     | <b>18,586,480</b>          | <b>224,316</b>                 | <b>4,145,494</b>        | <b>662,614</b>            |
| Less: Funding for Estimated Carryovers to 2013                   | 700,000                    | -                              | 150,000                 | -                         |
| Less: Funding for 2013-14 Service Packages                       | 2,437,950                  | -                              | -                       | -                         |
| <b>2013 Budgeted Beginning Fund Balance</b>                      | <b>15,448,530</b>          | <b>224,316</b>                 | <b>3,995,494</b>        | <b>662,614</b>            |
| Plus: 2013-14 Budgeted Revenues                                  | 153,740,358                | 466,336                        | 16,171,792              | 153,694                   |
| Less: 2013-14 Budgeted Expenditures                              | 160,937,187                | 485,380                        | 17,112,240              | 125,573                   |
| <b>2014 Budgeted Ending Fund Balance</b>                         | <b>10,689,651</b>          | <b>205,272</b>                 | <b>3,055,046</b>        | <b>690,735</b>            |
| <i>Reserved</i>  | <i>7,713,052</i>           | <i>205,272</i>                 | <i>1,263,094</i>        | <i>690,735</i>            |
| <i>Unreserved Working Capital</i>                                | <i>2,976,599</i>           | <i>-</i>                       | <i>1,791,952</i>        | <i>-</i>                  |
| <b>Change in Fund Balance:<br/>Beginning 2011 to Ending 2014</b> | <b>(2,187,370)</b>         | <b>58,888</b>                  | <b>(208,937)</b>        | <b>52,043</b>             |

**Notes:**

In 1998, the City Council adopted a policy to budget all estimated fund balances. Fund balance is comprised of the following: operating reserve, capital reserve, and unreserved working capital. Reserved fund balance is dedicated for a specific purpose such as equipment replacement. Unreserved working capital represents operating resources brought forward from the prior year to fund one-time "service package" costs and equipment purchases as well as operating contingencies to cover the cash flow needs of the fund.

<sup>1</sup>The City's Fiscal Policies include conservative budgeting practices that provide the ability at year-end to replenish or build reserves toward targeted levels. The decrease in fund balance is due to planned use of reserves to complete the Public Safety Building, moving the cable reserve previously located in the General Fund to the Information Technology Fund and also reflects the budgeted carryovers, and one-time funded service packages (i.e. projects) for 2013-2014. Actual year-end 2012 balances are expected to be available toward replenishing this budgeted use.

<sup>2</sup>Lodging tax revenue was significantly higher than originally planned during the 2011-12 biennium as a result of improving economic conditions. 2011-12 expenditures were planned based on these lower revenue projections.

| <b>Parks Maintenance<sup>3</sup></b> | <b>2012 Parks Levy<sup>4</sup></b> | <b>Health Benefits<sup>5</sup></b> | <b>Equipment Rental<sup>6</sup></b> | <b>Information Technology<sup>6</sup></b> | <b>Facilities Maintenance<sup>6</sup></b> | <b>Total</b>      |
|--------------------------------------|------------------------------------|------------------------------------|-------------------------------------|---|---|-------------------|
| <b>496,600</b>                       | -                                  | -                                  | <b>8,722,505</b>                    | <b>2,600,878</b>                          | <b>4,378,356</b>                          | <b>33,124,419</b> |
| 280,715                              | -                                  | -                                  | 9,598,523                           | 1,165,288                                 | 5,292,451                                 | 19,698,530        |
| 215,885                              | -                                  | -                                  | (876,018)                           | 1,435,590                                 | (914,095)                                 | 13,425,889        |
| 2,201,074                            | -                                  | 16,971,867                         | 9,945,881                           | 8,687,615                                 | 6,441,855                                 | 202,718,325       |
| 2,240,985                            | -                                  | 13,674,718                         | 8,287,450                           | 9,093,351                                 | 4,725,499                                 | 189,799,212       |
| <b>456,689</b>                       | -                                  | <b>3,297,149</b>                   | <b>10,380,936</b>                   | <b>2,195,142</b>                          | <b>6,094,712</b>                          | <b>46,043,532</b> |
| -                                    | -                                  | -                                  | -                                   | 150,000                                   | 46,278                                    | 1,046,278         |
| -                                    | -                                  | -                                  | -                                   | -   | -   | 2,437,950         |
| <b>456,689</b>                       | -                                  | <b>3,297,149</b>                   | <b>10,380,936</b>                   | <b>2,045,142</b>                          | <b>6,048,434</b>                          | <b>42,559,304</b> |
| 2,603,960                            | 5,006,077                          | 21,320,781                         | 8,678,421                           | 10,016,792                                | 6,722,966                                 | 224,881,177       |
| 2,724,127                            | 4,750,563                          | 20,765,415                         | 9,193,507                           | 9,788,347                                 | 5,884,039                                 | 231,766,378       |
| <b>336,522</b>                       | <b>255,514</b>                     | <b>3,852,515</b>                   | <b>9,865,850</b>                    | <b>2,273,587</b>                          | <b>6,887,361</b>                          | <b>38,112,053</b> |
| -                                    | -                                  | 3,825,758                          | 8,763,785                           | 1,013,454                                 | 3,203,373                                 | 26,678,523        |
| 336,522                              | 255,514                            | 26,757                             | 1,102,065                           | 1,260,133                                 | 3,683,988                                 | 11,433,530        |
| <b>(160,078)</b>                     | <b>255,514</b>                     | <b>3,852,515</b>                   | <b>1,143,345</b>                    | <b>(327,291)</b>                          | <b>2,509,005</b>                          | <b>4,987,634</b>  |

**Notes:**

<sup>3</sup> The Parks Maintenance Fund experienced a decline in fund balance due to a structural imbalance caused by the fact that property tax revenues in the fund grow slower than the rate of cost growth.

<sup>4</sup>The Parks Levy Fund was established as of 2013 as the result of a voter-approved property tax increase. This fund will account for the levy revenue and corresponding expenses.

<sup>5</sup>The Health Benefits Fund was established in 2011 as a result of the City self-insuring medical benefits. The increase in reserved fund balance represents required balance equivalent to 16 weeks of average claims (set by statute) plus a City-established rate stabilization reserve.

<sup>6</sup> In the Facilities Maintenance, Equipment Rental, and Information Technology Funds, reserved fund balance primarily represents cash earmarked for facilities renovations, vehicle replacements, and computer replacements respectively. Increases in fund balance reflect the accumulation of capital reserves. Decreases in fund balance reflect the use of unobligated cash to fund one-time projects and/or the use of capital reserves for facilities renovations, to purchase vehicle replacements, or to purchase computer replacements.



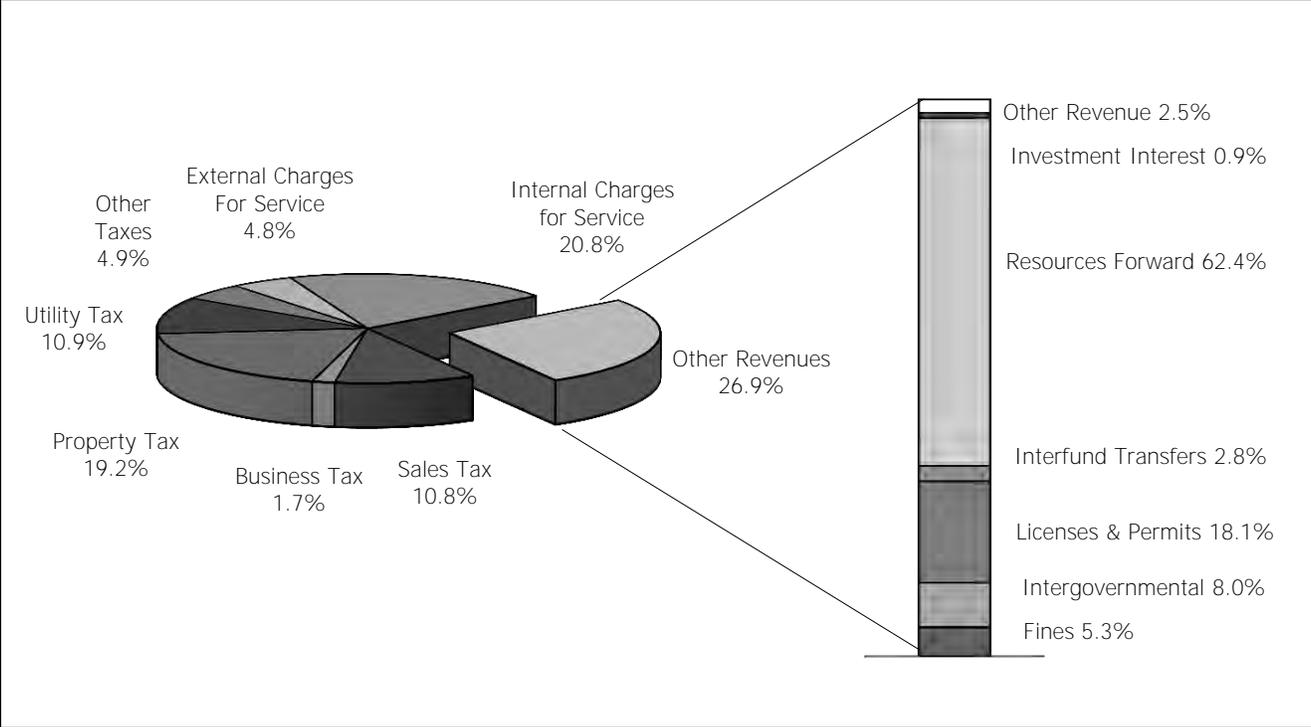
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# REVENUE SUMMARY



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**CITY OF KIRKLAND  
 GENERAL GOVERNMENT OPERATING  
 2013-2014 REVENUE SUMMARY  
 \$269,909,431**



Taxes comprise over 47% of all General Government Operating revenues, with other revenues being the single largest revenue category. They are a general purpose revenue source which are used to support basic government services such as public safety, street maintenance, and park maintenance. Internal charges for service reflect payments from one operating fund to another primarily for information technology, fleet, general administration, facilities maintenance, engineering, and billing services provided "in-house." Resources forward represents the collective beginning fund balance for all General Government Operating Funds, and is composed primarily of capital reserves, operating reserves, and unreserved working capital. In addition, resources forward is used to fund one-time service packages.



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**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
2013-2014 REVENUE SUMMARY: BY REVENUE TYPE**

| <b>Revenue Sources</b>                    | <b>2009-10 Actual</b> | <b>2011-12 Estimate</b> | <b>2011-12 Budget</b> | <b>2013-14 Budget</b> | <b>Percent Change</b> |
|---|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| <b>Taxes:</b>                             |                       |                         |                       |                       |                       |
| Property Tax                              | 27,124,950            | 36,424,538              | 34,155,242            | 51,798,391            | 51.66%                |
| Sales Tax:                                |                       |                         |                       |                       |                       |
| General                                   | 24,161,815            | 31,629,256              | 31,236,702            | 29,717,093            | -4.86%                |
| Annexation Sales Tax Credit               | -                     | 4,503,687               | 4,539,657             | 6,831,252             | 50.48%                |
| Criminal Justice                          | 1,909,248             | 2,776,055               | 2,718,109             | 3,301,260             | 21.45%                |
| Utility Taxes:                            |                       |                         |                       |                       |                       |
| Electric                                  | 5,446,852             | 7,082,800               | 7,303,604             | 8,019,140             | 9.80%                 |
| Gas                                       | 2,024,170             | 2,798,711               | 2,365,263             | 3,324,982             | 40.58%                |
| Television Cable                          | 1,834,263             | 2,749,418               | 2,314,257             | 3,128,271             | 35.17%                |
| Telephone                                 | 5,711,942             | 5,516,220               | 7,120,628             | 5,806,793             | -18.45%               |
| Garbage                                   | 1,779,704             | 2,220,535               | 2,338,062             | 2,524,566             | 7.98%                 |
| Sewer                                     | 1,833,089             | 2,156,447               | 2,155,954             | 2,422,103             | 12.34%                |
| Water                                     | 1,650,459             | 2,270,303               | 2,250,949             | 2,908,321             | 29.20%                |
| Surface Water                             | 755,952               | 1,111,913               | 1,056,312             | 1,264,133             | 19.67%                |
| Admissions Tax                            | 219,263               | 239,670                 | 216,000               | 221,000               | 2.31%                 |
| Revenue Generating Regulatory License     | 3,961,246             | 4,650,734               | 4,730,369             | 4,679,290             | -1.08%                |
| Hotel/Motel Tax                           | 372,653               | 419,833                 | 386,975               | 464,704               | 20.09%                |
| Gambling & Other Taxes*                   | 719,490               | 1,812,479               | 1,641,738             | 1,916,278             | 16.72%                |
| <b>Total Taxes</b>                        | <b>79,505,096</b>     | <b>108,362,599</b>      | <b>106,529,821</b>    | <b>128,327,577</b>    | <b>20.46%</b>         |
| <b>Licenses and Permits:</b>              |                       |                         |                       |                       |                       |
| Building/Structural                       | 2,511,918             | 3,746,327               | 4,172,217             | 3,800,056             | -8.92%                |
| Franchise Fees                            | 2,547,806             | 5,801,731               | 6,063,525             | 7,489,714             | 23.52%                |
| Business & Other Licenses*                | 1,337,810             | 1,828,422               | 1,495,781             | 1,866,760             | 24.80%                |
| <b>Total Licenses and Permits</b>         | <b>6,397,534</b>      | <b>11,376,480</b>       | <b>11,731,523</b>     | <b>13,156,530</b>     | <b>12.15%</b>         |
| <b>Intergovernmental:</b>                 |                       |                         |                       |                       |                       |
| Emergency Medical Services*               | 1,669,831             | 1,695,237               | 1,735,407             | -                     | -100.00%              |
| Fire District Revenue**                   | 7,484,515             | 5,054,020               | 6,833,364             | -                     | -100.00%              |
| Gas Tax                                   | 1,038,847             | 2,810,006               | 2,957,841             | 3,388,658             | 14.57%                |
| Liquor Taxes                              | 1,206,454             | 1,626,795               | 1,439,345             | 1,813,911             | 26.02%                |
| Grants & Other Intergovernmental          | 3,111,845             | 1,859,536               | 2,087,648             | 628,458               | -69.90%               |
| <b>Total Intergovernmental</b>            | <b>14,511,492</b>     | <b>13,045,594</b>       | <b>15,053,605</b>     | <b>5,831,027</b>      | <b>-61.26%</b>        |
| <b>Charges for Services:</b>              |                       |                         |                       |                       |                       |
| Planning Fees                             | 764,511               | 1,484,013               | 1,039,663             | 1,551,897             | 49.27%                |
| Plan Check Fees                           | 939,656               | 1,483,120               | 1,930,263             | 1,673,728             | -13.29%               |
| Engineering Development Fees              | 645,067               | 1,779,668               | 1,019,998             | 1,148,186             | 12.57%                |
| Recreation Charges*                       | 2,874,813             | 2,220,654               | 2,315,369             | 2,320,600             | 0.23%                 |
| Internal Charges                          | 28,485,760            | 48,193,454              | 47,748,745            | 34,766,632            | -27.19%               |
| Emergency Medical Services*               | -                     | -                       | -                     | 1,769,290             | N/A                   |
| Emergency Transport Fee                   | -                     | 1,415,708               | 1,414,858             | 1,787,136             | 26.31%                |
| Other Charges*                            | 2,216,842             | 2,262,070               | 2,667,394             | 2,755,418             | 3.30%                 |
| <b>Total Charges for Services</b>         | <b>35,926,649</b>     | <b>58,838,687</b>       | <b>58,136,290</b>     | <b>47,772,887</b>     | <b>-17.83%</b>        |
| <b>Fines and Forfeits*</b>                | <b>3,156,340</b>      | <b>3,481,238</b>        | <b>5,216,659</b>      | <b>3,816,924</b>      | <b>-26.83%</b>        |
| <b>Miscellaneous</b>                      | <b>2,416,087</b>      | <b>3,535,918</b>        | <b>2,650,341</b>      | <b>23,740,580</b>     | <b>795.76%</b>        |
| <b>Interfund Transfers</b>                | <b>4,490,843</b>      | <b>3,775,322</b>        | <b>4,645,448</b>      | <b>2,016,652</b>      | <b>-56.59%</b>        |
| <b>Resources Forward</b>                  | <b>22,715,066</b>     | <b>33,124,419</b>       | <b>33,124,419</b>     | <b>45,247,254</b>     | <b>36.60%</b>         |
| <b>General Government Operating Total</b> | <b>169,119,107</b>    | <b>235,540,257</b>      | <b>237,088,106</b>    | <b>269,909,431</b>    | <b>13.84%</b>         |

\* Comparisons to prior year periods are impacted by changes to account coding required by the Washington State Auditor's Office as of January 1, 2013

\*\* King County Fire District #41 was dissolved as of June 1, 2011 due to annexation into the City of Kirkland

**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
2013-2014 REVENUE SUMMARY: BY REVENUE TYPE ACROSS FUNDS**

| <b>Revenue Sources</b>                | <b>General Fund</b> | <b>Lodging Tax Fund</b> | <b>Street Operating Fund</b> | <b>Cemetery Operating Fund</b> |
|---------------------------------------|---------------------|-------------------------|------------------------------|--------------------------------|
| <b><i>Taxes:</i></b>                  |                     |                         |                              |                                |
| Property Tax                          | 33,573,159          | -                       | 11,144,245                   | -                              |
| Sales Tax:                            |                     |                         |                              |                                |
| General                               | 29,177,093          | -                       | 540,000                      | -                              |
| Annexation Sales Tax Credit           | 6,831,252           | -                       | -                            | -                              |
| Criminal Justice                      | 3,301,260           | -                       | -                            | -                              |
| Utility Taxes:                        |                     |                         |                              |                                |
| Electric                              | 8,019,140           | -                       | -                            | -                              |
| Gas                                   | 3,324,982           | -                       | -                            | -                              |
| Television Cable                      | 3,128,271           | -                       | -                            | -                              |
| Telephone                             | 5,806,793           | -                       | -                            | -                              |
| Garbage                               | 2,524,566           | -                       | -                            | -                              |
| Sewer                                 | 2,422,103           | -                       | -                            | -                              |
| Water                                 | 2,908,321           | -                       | -                            | -                              |
| Surface Water                         | 1,264,133           | -                       | -                            | -                              |
| Admissions Tax                        | 221,000             | -                       | -                            | -                              |
| Revenue Generating Regulatory License | 4,679,290           | -                       | -                            | -                              |
| Hotel/Motel Tax                       | -                   | 464,704                 | -                            | -                              |
| Gambling & Other Taxes*               | 1,916,278           | -                       | -                            | -                              |
| <b>Total Taxes</b>                    | <b>109,097,641</b>  | <b>464,704</b>          | <b>11,684,245</b>            | <b>-</b>                       |
| <b><i>Licenses and Permits:</i></b>   |                     |                         |                              |                                |
| Building/Structural                   | 3,800,056           | -                       | -                            | -                              |
| Franchise Fees                        | 7,489,714           | -                       | -                            | -                              |
| Business & Other Licenses*            | 1,646,760           | -                       | 220,000                      | -                              |
| <b>Total Licenses and Permits</b>     | <b>12,936,530</b>   | <b>-</b>                | <b>220,000</b>               | <b>-</b>                       |
| <b><i>Intergovernmental:</i></b>      |                     |                         |                              |                                |
| Emergency Medical Services*           | -                   | -                       | -                            | -                              |
| Fire District Revenue**               | -                   | -                       | -                            | -                              |
| Gas Tax                               | -                   | -                       | 3,388,658                    | -                              |
| Liquor Taxes                          | 1,813,911           | -                       | -                            | -                              |
| Grants & Other Intergovernmental*     | 477,042             | -                       | -                            | -                              |
| <b>Total Intergovernmental</b>        | <b>2,290,953</b>    | <b>-</b>                | <b>3,388,658</b>             | <b>-</b>                       |
| <b><i>Charges for Services:</i></b>   |                     |                         |                              |                                |
| Planning Fees                         | 1,551,897           | -                       | -                            | -                              |
| Plan Check Fees                       | 1,673,728           | -                       | -                            | -                              |
| Engineering Development Fees          | 1,148,186           | -                       | -                            | -                              |
| Recreation Charges*                   | 2,320,600           | -                       | -                            | -                              |
| Internal Charges                      | 10,686,711          | -                       | 32,453                       | -                              |
| Emergency Medical Services*           | 1,769,290           | -                       | -                            | -                              |
| Emergency Transport Fee               | 1,787,136           | -                       | -                            | -                              |
| Other Charges*                        | 2,636,678           | -                       | 30,000                       | 83,940                         |
| <b>Total Charges for Services</b>     | <b>23,574,226</b>   | <b>-</b>                | <b>62,453</b>                | <b>83,940</b>                  |
| <b><i>Fines and Forfeits*</i></b>     | <b>3,816,924</b>    | <b>-</b>                | <b>-</b>                     | <b>-</b>                       |
| <b><i>Miscellaneous</i></b>           | <b>1,436,321</b>    | <b>1,632</b>            | <b>496,320</b>               | <b>69,754</b>                  |
| <b><i>Interfund Transfers</i></b>     | <b>587,763</b>      | <b>-</b>                | <b>320,116</b>               | <b>-</b>                       |
| <b><i>Resources Forward</i></b>       | <b>17,886,480</b>   | <b>224,316</b>          | <b>3,995,494</b>             | <b>662,614</b>                 |
| <b>Fund Total</b>                     | <b>171,626,838</b>  | <b>690,652</b>          | <b>20,167,286</b>            | <b>816,308</b>                 |

\* Comparisons to prior year periods are impacted by changes to account coding required by the Washington State Auditor's Office as of January 1, 2013

\*\* King County Fire District #41 was dissolved as of June 1, 2011 due to annexation into the City of Kirkland

| <b>Parks Maintenance Fund</b> | <b>2012 Parks Levy Fund</b> | <b>Health Benefits Fund</b> | <b>Equipment Rental Fund</b> | <b>Information Technology Fund</b> | <b>Facilities Maintenance Fund</b> | <b>Revenue Total</b> |
|-------------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------------|------------------------------------|----------------------|
| 2,474,910                     | 4,606,077                   | -                           | -                            | -                                  | -                                  | <b>51,798,391</b>    |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>29,717,093</b>    |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>6,831,252</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>3,301,260</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>8,019,140</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>3,324,982</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>3,128,271</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>5,806,793</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>2,524,566</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>2,422,103</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>2,908,321</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>1,264,133</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>221,000</b>       |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>4,679,290</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>464,704</b>       |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>1,916,278</b>     |
| <b>2,474,910</b>              | <b>4,606,077</b>            | <b>-</b>                    | <b>-</b>                     | <b>-</b>                           | <b>-</b>                           | <b>128,327,577</b>   |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>3,800,056</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>7,489,714</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>1,866,760</b>     |
| <b>-</b>                      | <b>-</b>                    | <b>-</b>                    | <b>-</b>                     | <b>-</b>                           | <b>-</b>                           | <b>13,156,530</b>    |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>-</b>             |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>-</b>             |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>3,388,658</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>1,813,911</b>     |
| -                             | -                           | -                           | -                            | 151,416                            | -                                  | <b>628,458</b>       |
| <b>-</b>                      | <b>-</b>                    | <b>-</b>                    | <b>-</b>                     | <b>151,416</b>                     | <b>-</b>                           | <b>5,831,027</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>1,551,897</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>1,673,728</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>1,148,186</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>2,320,600</b>     |
| -                             | 150,000                     | -                           | 8,111,886                    | 9,164,376                          | 6,621,206                          | <b>34,766,632</b>    |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>1,769,290</b>     |
| -                             | -                           | -                           | -                            | -                                  | -                                  | <b>1,787,136</b>     |
| -                             | -                           | -                           | -                            | -                                  | 4,800                              | <b>2,755,418</b>     |
| <b>-</b>                      | <b>150,000.00</b>           | <b>-</b>                    | <b>8,111,886</b>             | <b>9,164,376</b>                   | <b>6,626,006</b>                   | <b>47,772,887</b>    |
| <b>-</b>                      | <b>-</b>                    | <b>-</b>                    | <b>-</b>                     | <b>-</b>                           | <b>-</b>                           | <b>3,816,924</b>     |
| <b>4,800</b>                  | <b>-</b>                    | <b>21,320,781</b>           | <b>244,012</b>               | <b>70,000</b>                      | <b>96,960</b>                      | <b>23,740,580</b>    |
| <b>124,250</b>                | <b>-</b>                    | <b>-</b>                    | <b>353,523</b>               | <b>631,000</b>                     | <b>-</b>                           | <b>2,016,652</b>     |
| <b>456,689</b>                | <b>250,000.00</b>           | <b>3,297,149</b>            | <b>10,380,936</b>            | <b>2,045,142</b>                   | <b>6,048,434</b>                   | <b>45,247,254</b>    |
| <b>3,060,649</b>              | <b>5,006,077</b>            | <b>24,617,930</b>           | <b>19,090,357</b>            | <b>12,061,934</b>                  | <b>12,771,400</b>                  | <b>269,909,431</b>   |



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# EXPENDITURE SUMMARY

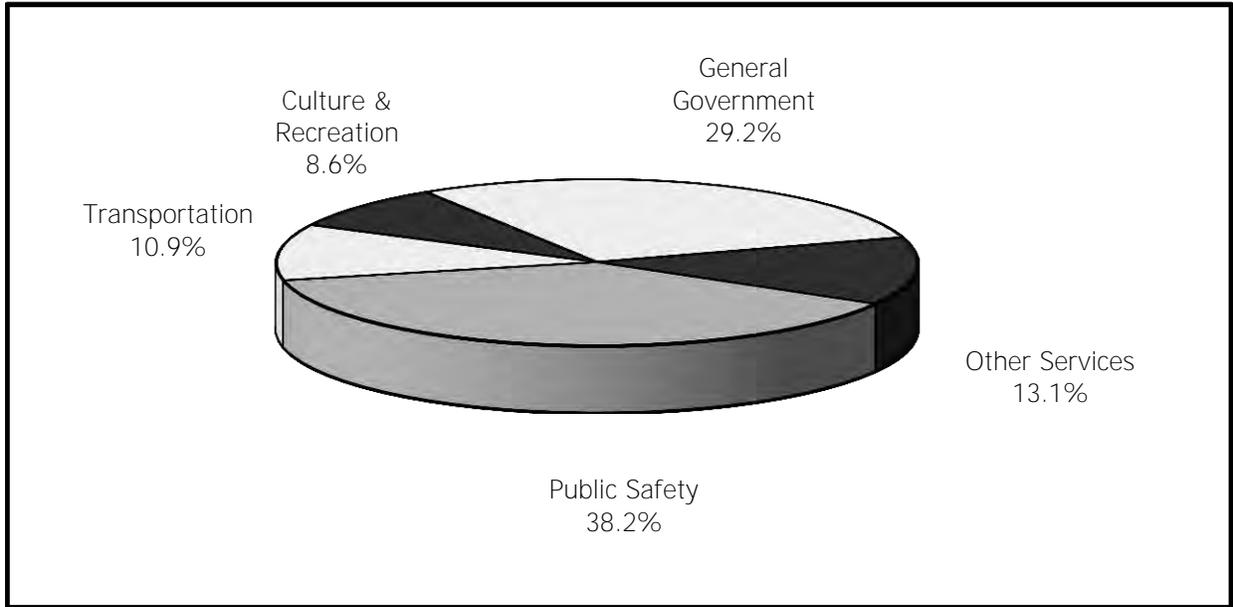


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# CITY OF KIRKLAND

## GENERAL GOVERNMENT OPERATING

### 2013-2014 EXPENDITURE SUMMARY: BY PROGRAM



The General Government Operating Funds account for about 50 percent of the City's total budget. The largest program area is Public Safety comprising police, fire, building inspection, and municipal court services. General Government represents the next largest program area, which includes legislative, executive, legal, administrative, financial, community planning, technology, and fleet services.

Comparisons between 2011-2012 and 2013-2014 are challenging, primarily due to the annexation effective partway through the last biennium, during which services and costs were ramping up. The 2013-2014 budget reflects providing services to the new neighborhoods for the full two-year period. Significant factors contributing to changes include:

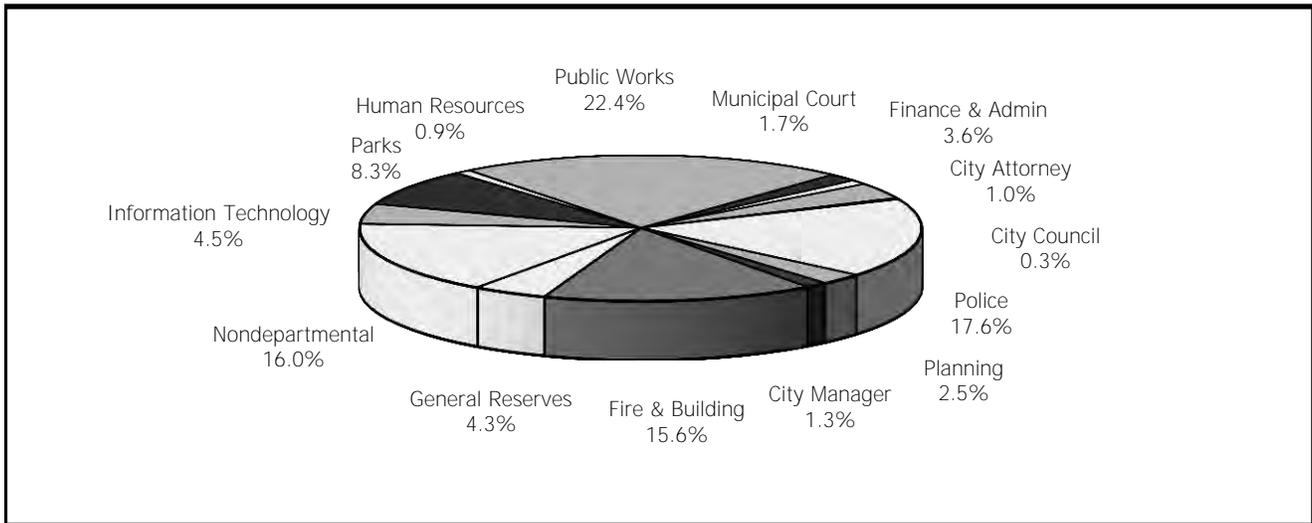
- The Public Safety category increases are due to providing services to the new neighborhoods for the full two-year biennium, setting up sinking fund reserves for public safety equipment, and recommended service packages related to implementation of the Fire Strategic Plan.
- Street and Park levies that will be voted on in November 2012 are assumed to pass in the preliminary budget, which is the primary reason for the increase in the transportation and culture and recreation categories respectively.
- Increases to the Other Services category are primarily due to increases to the self-insurance costs for health benefits, which are budgeted in an internal service fund, and again as expenses in the other operating funds. The increases are due to full finding of required reserves, the impact of higher than expected claims in 2012, and the increase in the number of covered employees associated with annexation.

### Analysis of Change

| Program              | 2009-10 Actual*    | 2011-12 Budget     | 2013-14 Budget     | Percent Change |
|----------------------|--------------------|--------------------|--------------------|----------------|
| Public Safety        | 72,223,852         | 97,152,118         | 102,995,771        | 6.01%          |
| Transportation       | 17,844,355         | 23,359,949         | 29,436,125         | 26.01%         |
| Culture & Recreation | 16,355,893         | 18,138,620         | 23,285,591         | 28.38%         |
| General Government   | 61,789,792         | 76,189,084         | 78,700,558         | 3.30%          |
| Other Services       | 5,200,214          | 22,248,335         | 35,491,386         | 59.52%         |
| <b>Program Total</b> | <b>173,414,106</b> | <b>237,088,106</b> | <b>269,909,431</b> | <b>13.84%</b>  |

\*2009-10 reserves are budgeted, but not spent

# CITY OF KIRKLAND GENERAL GOVERNMENT OPERATING 2013-2014 EXPENDITURE SUMMARY: BY DEPARTMENT



The largest department in the General Government Operating Funds is Public Works, consisting of engineering, transportation, facilities maintenance, and fleet management services. Public safety services, Fire & Building and Police, are the next two largest departments.

Comparisons between 2011-2012 and 2013-2014 are challenging, primarily due to the annexation effective partway through the last biennium, during which services and costs were ramping up. The 2013-2014 budget reflects providing services to the new neighborhoods for the full two-year period. Significant factors contributing to changes include:

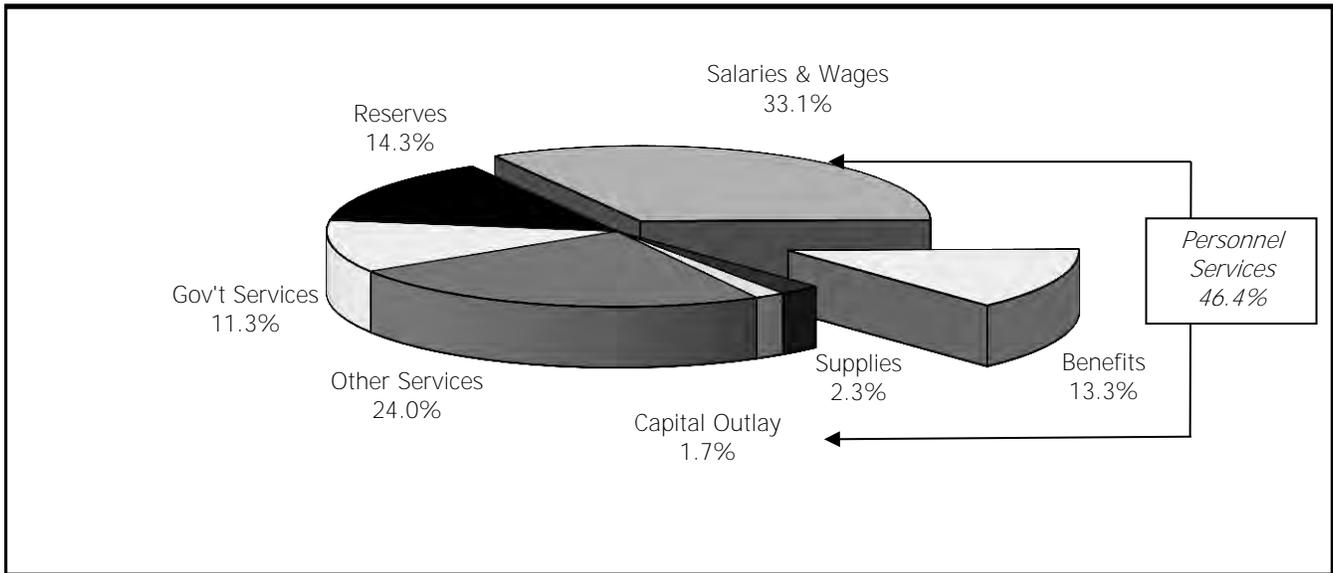
- Nondepartmental increases are primarily due to funding for public safety and technology equipment sinking funds and undistributed personnel costs related to pending salary and benefit adjustments. These amounts, plus funds set-aside for LEOFF 1 retiree medical benefits, were shown as general reserves in prior budgets, but they are more accurately shown with their related operating costs.
- Street and Park levies that will be voted on in November 2012 are assumed to pass in the preliminary budget, which is the primary reason for the increase in Public Works and Parks & Community Services respectively.
- Reserves decreased due to the planned use of funds set aside toward the construction of the new Public Safety Building.

## Analysis of Change

| Department                       | 2009-10 Actual*    | 2011-12 Budget     | 2013-14 Budget     | Percent Change |
|----------------------------------|--------------------|--------------------|--------------------|----------------|
| General Government Reserves      | 10,834,382         | 12,505,786         | 11,578,350         | -7.42%         |
| Nondepartmental                  | 5,926,153          | 25,755,719         | 43,243,032         | 67.90%         |
| City Council                     | 689,283            | 777,826            | 811,426            | 4.32%          |
| City Manager                     | 3,093,950          | 3,478,775          | 3,465,677          | -0.38%         |
| Human Resources                  | 2,016,015          | 2,542,206          | 2,546,399          | 0.16%          |
| City Attorney                    | 1,986,402          | 2,527,873          | 2,729,983          | 8.00%          |
| Municipal Court                  | 3,075,224          | 4,597,427          | 4,542,320          | -1.20%         |
| Parks & Community Services       | 15,693,884         | 17,425,648         | 22,286,554         | 27.90%         |
| Public Works                     | 39,025,215         | 52,494,490         | 60,522,265         | 15.29%         |
| Finance & Administration         | 7,793,449          | 9,451,874          | 9,734,684          | 2.99%          |
| Planning & Community Development | 5,344,400          | 6,357,476          | 6,816,151          | 7.21%          |
| Police                           | 33,185,219         | 46,902,666         | 47,414,232         | 1.09%          |
| Fire & Building                  | 35,271,089         | 40,809,358         | 42,156,424         | 3.30%          |
| Information Technology           | 9,479,441          | 11,460,982         | 12,061,934         | 5.24%          |
| <b>Department Total</b>          | <b>173,414,106</b> | <b>237,088,106</b> | <b>269,909,431</b> | <b>13.84%</b>  |

\*2009-10 reserves are budgeted, but not spent

# CITY OF KIRKLAND GENERAL GOVERNMENT OPERATING 2013-2014 EXPENDITURE SUMMARY: BY CATEGORY



The largest category of expense in the General Government Operating Funds is Personnel Services (Salaries & Wages and Benefits), of which 56 percent is for public safety personnel. Other Services & Charges is the next largest category and includes mostly contracted direct services (such as jail and human services), contracted support services (such as consulting, printing, and repairs/maintenance services), and internal charges from one City fund to another (for information technology, fleet, facilities, and other internal services).

Comparisons between 2011-2012 and 2013-2014 are challenging, primarily due to the annexation effective partway through the last biennium, during which services and costs were ramping up. The 2013-2014 budget reflects providing services to the new neighborhoods for the full two-year period. Significant factors contributing to changes include:

- Other Services & Charges are up primarily due to the impact of self-insurance for health benefits (the City pays actual medical claims instead of insurance premiums).
- Personnel costs (salaries and benefits) are a combination of cost increases for two years, the full impact of additional staffing to provide services to the new neighborhoods for a full two years, and proposed staffing added as a result of the Street and Park levies.
- Intergovernmental/Interfund Services increased primarily due to funding for public safety and technology equipment sinking funds.
- Capital Outlay decreased primarily due to one-time additions for vehicles and equipment made in 2011-2012 to provide services in the new neighborhoods after annexation.

## Analysis of Change

| Category                             | 2009-10 Actual*    | 2011-12 Budget     | 2013-14 Budget     | Percent Change |
|--------------------------------------|--------------------|--------------------|--------------------|----------------|
| Salaries & Wages                     | 69,789,477         | 80,918,532         | 89,447,695         | 10.54%         |
| Benefits                             | 24,537,481         | 44,078,904         | 35,917,656         | -18.52%        |
| Supplies                             | 4,311,286          | 6,473,280          | 6,198,192          | -4.25%         |
| Other Services & Charges             | 33,044,994         | 42,939,949         | 64,702,823         | 50.68%         |
| Intergovernmental/Interfund Services | 11,991,252         | 22,542,440         | 30,468,477         | 35.16%         |
| Capital Outlay                       | 2,097,936          | 6,137,238          | 4,609,295          | -24.90%        |
| Reserves                             | 27,641,680         | 33,997,763         | 38,565,293         | 13.43%         |
| <b>Category Total</b>                | <b>173,414,106</b> | <b>237,088,106</b> | <b>269,909,431</b> | <b>13.84%</b>  |

\*2009-10 reserves are budgeted, but not spent

**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
2013-2014 EXPENDITURE SUMMARY: ACROSS FUNDS**

***By Program***

| <b>Program</b>       | <b>General Fund</b> | <b>Lodging Tax Fund</b> | <b>Street Operating Fund</b> |
|----------------------|---------------------|-------------------------|------------------------------|
| Public Safety        | 102,995,771         | -                       | -                            |
| Transportation       | 9,268,839           | -                       | 20,167,286                   |
| Culture & Recreation | 14,528,213          | -                       | -                            |
| General Government   | 34,776,867          | -                       | -                            |
| Other Services       | 10,057,148          | 690,652                 | -                            |
| <b>Fund Total</b>    | <b>171,626,838</b>  | <b>690,652</b>          | <b>20,167,286</b>            |

***By Department***

| <b>Department</b>                | <b>General Fund</b> | <b>Lodging Tax Fund</b> | <b>Street Operating Fund</b> |
|----------------------------------|---------------------|-------------------------|------------------------------|
| General Government Reserves      | 11,578,350          | -                       | -                            |
| Nondepartmental                  | 17,934,450          | 690,652                 | -                            |
| City Council                     | 811,426             | -                       | -                            |
| City Manager                     | 3,465,677           | -                       | -                            |
| Human Resources                  | 2,546,399           | -                       | -                            |
| City Attorney                    | 2,729,983           | -                       | -                            |
| Municipal Court                  | 4,542,320           | -                       | -                            |
| Parks & Community Services       | 14,170,169          | -                       | -                            |
| Public Works                     | 8,493,222           | -                       | 20,167,286                   |
| Finance & Administration         | 8,968,035           | -                       | -                            |
| Planning & Community Development | 6,816,151           | -                       | -                            |
| Police                           | 47,414,232          | -                       | -                            |
| Fire & Building                  | 42,156,424          | -                       | -                            |
| Information Technology           | -                   | -                       | -                            |
| <b>Fund Total</b>                | <b>171,626,838</b>  | <b>690,652</b>          | <b>20,167,286</b>            |

***By Category***

| <b>Category</b>                      | <b>General Fund</b> | <b>Lodging Tax Fund</b> | <b>Street Operating Fund</b> |
|--------------------------------------|---------------------|-------------------------|------------------------------|
| Salaries & Wages                     | 77,811,419          | 113,952                 | 2,584,170                    |
| Benefits                             | 30,404,764          | 43,323                  | 1,451,434                    |
| Supplies                             | 1,590,367           | 6,400                   | 1,099,017                    |
| Other Services & Charges             | 30,712,884          | 316,782                 | 4,852,666                    |
| Intergovernmental/Interfund Services | 20,311,813          | -                       | 6,856,637                    |
| Capital Outlay                       | 105,940             | -                       | 129,000                      |
| Reserves                             | 10,689,651          | 210,195                 | 3,194,362                    |
| <b>Fund Total</b>                    | <b>171,626,838</b>  | <b>690,652</b>          | <b>20,167,286</b>            |

| Cemetery Operating Fund | Parks Maintenance Fund | Parks Levy Fund | Health Benefits Fund | Equipment Rental Fund | Information Technology Fund | Facilities Maintenance Fund | Program Total      |
|-------------------------|------------------------|-----------------|----------------------|-----------------------|-----------------------------|-----------------------------|--------------------|
| -                       | -                      | -               | -                    | -                     | -                           | -                           | <b>102,995,771</b> |
| -                       | -                      | -               | -                    | -                     | -                           | -                           | <b>29,436,125</b>  |
| -                       | 3,060,649              | 5,006,077       | -                    | -                     | -                           | -                           | <b>22,594,939</b>  |
| -                       | -                      | -               | -                    | 19,090,357            | 12,061,934                  | 12,771,400                  | <b>78,700,558</b>  |
| 816,308                 | -                      | -               | 24,617,930           | -                     | -                           | -                           | <b>36,182,038</b>  |
| <b>816,308</b>          | <b>3,060,649</b>       |                 | <b>24,617,930</b>    | <b>19,090,357</b>     | <b>12,061,934</b>           | <b>12,771,400</b>           | <b>269,909,431</b> |

| Cemetery Operating Fund | Parks Maintenance Fund | Parks Levy Fund  | Health Benefits Fund | Equipment Rental Fund | Information Technology Fund | Facilities Maintenance Fund | Department Total   |
|-------------------------|------------------------|------------------|----------------------|-----------------------|-----------------------------|-----------------------------|--------------------|
| -                       | -                      | -                | 24,617,930           | -                     | -                           | -                           | <b>11,578,350</b>  |
| -                       | -                      | -                | -                    | -                     | -                           | -                           | <b>43,243,032</b>  |
| -                       | -                      | -                | -                    | -                     | -                           | -                           | <b>811,426</b>     |
| -                       | -                      | -                | -                    | -                     | -                           | -                           | <b>3,465,677</b>   |
| -                       | -                      | -                | -                    | -                     | -                           | -                           | <b>2,546,399</b>   |
| -                       | -                      | -                | -                    | -                     | -                           | -                           | <b>2,729,983</b>   |
| -                       | -                      | -                | -                    | -                     | -                           | -                           | <b>4,542,320</b>   |
| 49,659                  | 3,060,649              | 5,006,077        | -                    | -                     | -                           | -                           | <b>22,286,554</b>  |
| -                       | -                      | -                | -                    | 19,090,357            | -                           | 12,771,400                  | <b>60,522,265</b>  |
| 766,649                 | -                      | -                | -                    | -                     | -                           | -                           | <b>9,734,684</b>   |
| -                       | -                      | -                | -                    | -                     | -                           | -                           | <b>6,816,151</b>   |
| -                       | -                      | -                | -                    | -                     | -                           | -                           | <b>47,414,232</b>  |
| -                       | -                      | -                | -                    | -                     | -                           | -                           | <b>42,156,424</b>  |
| -                       | -                      | -                | -                    | -                     | 12,061,934                  | -                           | <b>12,061,934</b>  |
| <b>816,308</b>          | <b>3,060,649</b>       | <b>5,006,077</b> | <b>24,617,930</b>    | <b>19,090,357</b>     | <b>12,061,934</b>           | <b>12,771,400</b>           | <b>269,909,431</b> |

| Cemetery Operating Fund | Parks Maintenance Fund | Parks Levy Fund  | Health Benefits Fund | Equipment Rental Fund | Information Technology Fund | Facilities Maintenance Fund | Category Total     |
|-------------------------|------------------------|------------------|----------------------|-----------------------|-----------------------------|-----------------------------|--------------------|
| 6,000                   | 1,156,140              | 1,165,614        | -                    | 999,986               | 4,704,102                   | 906,312                     | <b>89,447,695</b>  |
| -                       | 624,875                | 573,674          | -                    | 467,286               | 1,897,714                   | 454,586                     | <b>35,917,656</b>  |
| 33,000                  | 147,840                | 129,140          | -                    | 2,131,800             | 762,726                     | 297,902                     | <b>6,198,192</b>   |
| 76,773                  | 793,572                | 532,135          | 20,763,415           | 965,226               | 2,123,035                   | 3,566,335                   | <b>64,702,823</b>  |
| 200                     | 1,700                  | 2,350,000        | 2,000                | 244,027               | 89,300                      | 612,800                     | <b>30,468,477</b>  |
| 9,600                   | -                      | -                | -                    | 4,364,755             | -                           | -                           | <b>4,609,295</b>   |
| 690,735                 | 336,522                | 255,514          | 3,852,515            | 9,917,277             | 2,485,057                   | 6,933,465                   | <b>38,565,293</b>  |
| <b>816,308</b>          | <b>3,060,649</b>       | <b>5,006,077</b> | <b>24,617,930</b>    | <b>19,090,357</b>     | <b>12,061,934</b>           | <b>12,771,400</b>           | <b>269,909,431</b> |



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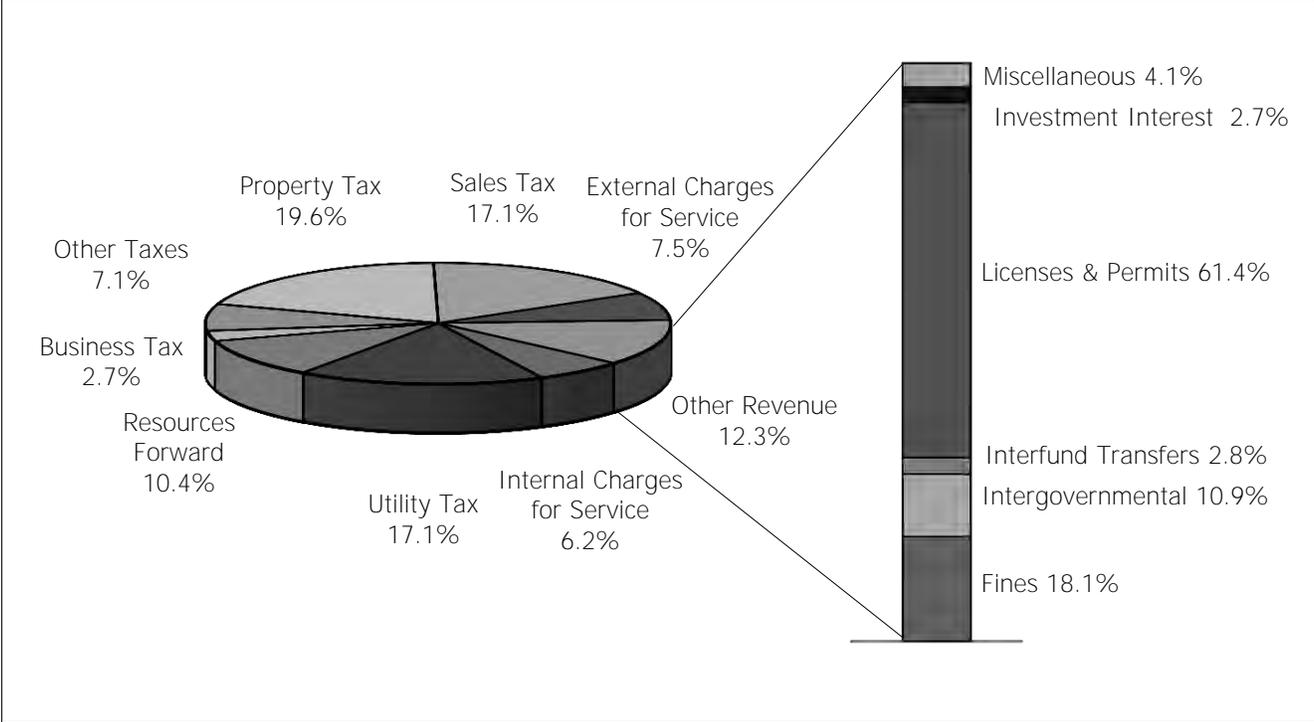
The General Fund is the primary operating fund of the City. The General Fund is used to account for resources traditionally associated with government which are not required by law or by sound financial management practice to be accounted for in another fund.

## GENERAL FUND REVENUE SUMMARY



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**CITY OF KIRKLAND  
 GENERAL GOVERNMENT OPERATING  
 GENERAL FUND  
 2013-2014 REVENUE SUMMARY  
 \$171,626,838**



Taxes comprise over 63% of all General Fund revenues, with property tax being the single largest revenue. Taxes are a general purpose revenue source which are used to support basic government services such as public safety and park maintenance. Internal charges for service reflect payments from other operating funds primarily for general administration, engineering, and billing services provided "in-house." Resources forward represents the beginning fund balance for the General Fund and is composed primarily of an operating reserve and unreserved working capital. In addition, resources forward is used to fund one-time service packages.

**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
GENERAL FUND  
2013-2014 REVENUE SUMMARY: BY REVENUE TYPE**

| <b>Revenue Sources</b>                | <b>2009-10 Actual</b> | <b>2011-12 Estimate</b> | <b>2011-12 Budget</b> | <b>2013-14 Budget</b> | <b>Percent Change</b> |
|---------------------------------------|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| <b>Taxes:</b>                         |                       |                         |                       |                       |                       |
| Property Tax                          | 19,406,680            | 31,452,253              | 29,311,574            | 33,573,159            | 14.54%                |
| Sales Tax:                            |                       |                         |                       |                       |                       |
| General                               | 24,161,815            | 27,087,143              | 26,857,909            | 29,177,093            | 8.64%                 |
| Annexation Sales Tax Credit           | -                     | 4,503,687               | 4,539,657             | 6,831,252             | 50.48%                |
| Criminal Justice                      | 1,909,248             | 2,776,055               | 2,718,109             | 3,301,260             | 21.45%                |
| Utility Taxes:                        |                       |                         |                       |                       |                       |
| Electric                              | 5,446,852             | 7,082,800               | 7,303,604             | 8,019,140             | 9.80%                 |
| Gas                                   | 2,024,170             | 2,798,711               | 2,365,263             | 3,324,982             | 40.58%                |
| Television Cable                      | 1,834,263             | 2,749,418               | 2,314,257             | 3,128,271             | 35.17%                |
| Telephone                             | 5,711,942             | 5,516,220               | 7,120,628             | 5,806,793             | -18.45%               |
| Water                                 | 1,779,704             | 2,220,535               | 2,338,062             | 2,524,566             | 7.98%                 |
| Sewer                                 | 1,833,089             | 2,156,447               | 2,155,954             | 2,422,103             | 12.34%                |
| Garbage                               | 1,650,459             | 2,270,303               | 2,250,949             | 2,908,321             | 29.20%                |
| Surface Water                         | 755,952               | 1,111,913               | 1,056,312             | 1,264,133             | 19.67%                |
| Admissions Tax                        | 219,263               | 239,670                 | 216,000               | 221,000               | 2.31%                 |
| Revenue Generating Regulatory License | 3,961,246             | 4,650,734               | 4,730,369             | 4,679,290             | -1.08%                |
| Other Taxes*                          | 718,324               | 1,272,479               | 1,101,738             | 1,916,278             | 73.93%                |
| <b>Total Taxes</b>                    | <b>71,413,007</b>     | <b>97,888,368</b>       | <b>96,380,385</b>     | <b>109,097,641</b>    | <b>13.19%</b>         |
| <b>Licenses and Permits:</b>          |                       |                         |                       |                       |                       |
| Building/Structural                   | 2,511,918             | 3,746,327               | 4,172,217             | 3,800,056             | -8.92%                |
| Franchise Fees                        | 2,547,806             | 5,801,731               | 6,063,525             | 7,489,714             | 23.52%                |
| Business and Other*                   | 1,325,010             | 1,612,486               | 1,495,781             | 1,646,760             | 10.09%                |
| <b>Total Licenses and Permits</b>     | <b>6,384,734</b>      | <b>11,160,544</b>       | <b>11,731,523</b>     | <b>12,936,530</b>     | <b>10.27%</b>         |
| <b>Intergovernmental:</b>             |                       |                         |                       |                       |                       |
| Emergency Medical Services*           | 1,669,831             | 1,695,237               | 1,735,407             | 0                     | -100.00%              |
| Fire District Revenue**               | 7,484,515             | 5,054,020               | 6,833,364             | -                     | -100.00%              |
| Liquor Taxes                          | 1,206,454             | 1,626,795               | 1,439,345             | 1,813,911             | 26.02%                |
| Grants & Other Intergovernmental*     | 2,571,883             | 1,556,512               | 1,823,578             | 477,042               | -73.84%               |
| <b>Total Intergovernmental</b>        | <b>12,932,683</b>     | <b>9,932,564</b>        | <b>11,831,694</b>     | <b>2,290,953</b>      | <b>-80.64%</b>        |
| <b>Charges for Services:</b>          |                       |                         |                       |                       |                       |
| Planning Fees                         | 764,511               | 1,484,013               | 1,039,663             | 1,551,897             | 49.27%                |
| Plan Check Fees                       | 939,656               | 1,483,120               | 1,930,263             | 1,673,728             | -13.29%               |
| Engineering Development Fees          | 645,067               | 1,779,668               | 1,019,998             | 1,148,186             | 12.57%                |
| Recreation Charges*                   | 2,874,813             | 2,220,654               | 2,315,369             | 2,320,600             | 0.23%                 |
| Internal Charges                      | 9,835,111             | 10,836,401              | 11,452,614            | 10,686,711            | -6.69%                |
| Emergency Medical Services*           | -                     | -                       | -                     | 1,769,290             | N/A                   |
| Emergency Transport Fee               | -                     | 1,415,708               | 1,414,858             | 1,787,136             | 26.31%                |
| Other Charges*                        | 1,758,168             | 1,973,774               | 2,481,788             | 2,636,678             | 6.24%                 |
| <b>Total Charges for Services</b>     | <b>16,817,326</b>     | <b>21,193,338</b>       | <b>21,654,553</b>     | <b>23,574,226</b>     | <b>8.86%</b>          |
| <b>Fines and Forfeits*</b>            | <b>3,156,340</b>      | <b>3,481,238</b>        | <b>5,216,659</b>      | <b>3,816,924</b>      | <b>-26.83%</b>        |
| <b>Miscellaneous</b>                  | <b>863,705</b>        | <b>1,972,871</b>        | <b>1,240,841</b>      | <b>1,436,321</b>      | <b>15.75%</b>         |
| <b>Interfund Transfers</b>            | <b>3,878,034</b>      | <b>197,685</b>          | <b>428,588</b>        | <b>587,763</b>        | <b>37.14%</b>         |
| <b>Resources Forward</b>              | <b>5,980,029</b>      | <b>12,877,021</b>       | <b>12,877,021</b>     | <b>17,886,480</b>     | <b>38.90%</b>         |
| <b>General Fund Total</b>             | <b>121,425,858</b>    | <b>158,703,629</b>      | <b>161,361,264</b>    | <b>171,626,838</b>    | <b>6.36%</b>          |

\* Comparisons to prior year periods are impacted by changes to account coding required by the Washington State Auditor's Office as of January 1, 2013

\*\* King County Fire District #41 was dissolved as of June 1, 2011 due to annexation into the City of Kirkland

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|                                |                                  | 2009 -2010 | 2011 - 2012 | 2011- 2012 | 2013 - 2014 | Percent |
|--------------------------------|----------------------------------|------------|-------------|------------|-------------|---------|
|                                |                                  | Actual     | Estimate    | Budget     | Budget      | Change  |
| <b>Fund:</b>                   | <b>General Fund (010)</b>        |            |             |            |             |         |
| <b>Department:</b>             | <b>General</b>                   |            |             |            |             |         |
| <b>Division:</b>               | <b>Not Applicable</b>            |            |             |            |             |         |
| <b>Key:</b>                    | <b>General Fund (0100000000)</b> |            |             |            |             |         |
| <b>Taxes</b>                   |                                  |            |             |            |             |         |
| Property Tax-Real & Personal   | 3111001                          | 19,406,680 | 29,139,092  | 29,311,574 | 33,573,159  | 14.53%  |
| Property Tax-Fire Dist 41      | 3111003                          | 0          | 1,872,041   | 0          | 0           | 0.00%   |
| Property Tax-Fire Dist 34 36   | 3111004                          | 0          | 441,120     | 0          | 0           | 0.00%   |
| Retail* SalesUse Tax           | 3131001                          | 24,161,815 | 27,087,143  | 26,857,909 | 0           | 0.00%   |
| Retail Sales Use Tax           | 3131101                          | 0          | 0           | 0          | 29,177,093  | 0.00%   |
| Annexation Sales Tax           | 3131201                          | 0          | 4,503,687   | 4,539,657  | 6,831,252   | 50.47%  |
| Brokered* Nat Gas Use Tax      | 3136001                          | 1,343      | 6,640       | 0          | 0           | 0.00%   |
| Brokered Nat Gas Use Tax       | 3136101                          | 0          | 0           | 0          | 6,400       | 0.00%   |
| Crim Justice-Local Sales Tax   | 3137101                          | 1,909,248  | 2,776,055   | 2,718,109  | 3,301,260   | 21.45%  |
| Rev Generating Regulatory Lic  | 3161001                          | 3,961,246  | 4,650,734   | 4,730,369  | 4,679,290   | -1.07%  |
| Admissions *Tax                | 3162001                          | 219,263    | 239,670     | 216,000    | 0           | 0.00%   |
| Electric Utility Tax-Private   | 3164101                          | 5,446,852  | 7,082,800   | 7,303,604  | 8,019,140   | 9.79%   |
| Gas Utility Tax-Private        | 3164301                          | 2,024,170  | 2,798,711   | 2,365,263  | 3,324,982   | 40.57%  |
| Television Cable-Private       | 3164601                          | 1,834,263  | 2,749,418   | 2,314,257  | 3,128,271   | 35.17%  |
| Telephone Utility Tax-Private  | 3164701                          | 5,711,942  | 5,516,220   | 7,120,628  | 5,806,793   | -18.45% |
| Water Customer Utility Tax     | 3164811                          | 0          | 0           | 0          | 2,524,566   | 0.00%   |
| Sewer Customer Utility Tax     | 3164812                          | 0          | 0           | 0          | 2,422,103   | 0.00%   |
| Solid Waste Customer Util Tax  | 3164813                          | 0          | 0           | 0          | 2,908,321   | 0.00%   |
| Surface Water Cust Util Tax    | 3164814                          | 0          | 0           | 0          | 1,264,133   | 0.00%   |
| Water *Customer Utility Tax    | 3167201                          | 1,779,704  | 2,220,535   | 2,338,062  | 0           | 0.00%   |
| Sewage* Customer Utility Tax   | 3167401                          | 1,833,089  | 2,156,447   | 2,155,954  | 0           | 0.00%   |
| Garb*Solid Waste Cust Util Tax | 3167501                          | 1,650,459  | 2,270,303   | 2,250,949  | 0           | 0.00%   |
| Surface*Water Cust Utility Tax | 3167801                          | 755,952    | 1,111,913   | 1,056,312  | 0           | 0.00%   |
| Punch Boards and Pull Tabs     | 3168101                          | 0          | 0           | 0          | 242,233     | 0.00%   |
| Bingo and Raffles              | 3168201                          | 0          | 0           | 0          | 3,023       | 0.00%   |
| Amusement Games                | 3168301                          | 0          | 0           | 0          | 2,408       | 0.00%   |
| Card Games                     | 3168401                          | 0          | 0           | 0          | 1,426,214   | 0.00%   |
| Leasehold Excise Tax           | 3172001                          | 125,676    | 246,065     | 120,000    | 236,000     | 96.66%  |
| Enhanced *911 Access Lines     | 3174101                          | 226,499    | 0           | 0          | 0           | 0.00%   |
| Punch *Boards and Pull Tabs    | 3175101                          | 348,214    | 223,527     | 280,000    | 0           | 0.00%   |
| Bingo* and Raffles             | 3175201                          | 5,259      | 6,458       | 4,000      | 0           | 0.00%   |
| Amusement* Games               | 3175301                          | 1,863      | 2,165       | 300        | 0           | 0.00%   |
| Card *Games                    | 3175401                          | 0          | 775,035     | 693,238    | 0           | 0.00%   |
| Admissions Tax                 | 3181101                          | 0          | 0           | 0          | 221,000     | 0.00%   |
| Business *Tax Penalty Interest | 3196001                          | 9,470      | 12,589      | 4,200      | 0           | 0.00%   |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|                                |         | <b>2009 -2010<br/>Actual</b> | <b>2011 - 2012<br/>Estimate</b> | <b>2011- 2012<br/>Budget</b> | <b>2013 - 2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|--------------------------------|---------|------------------------------|---------------------------------|------------------------------|-------------------------------|---------------------------|
| <b>Total for Taxes:</b>        |         | 71,413,007                   | 97,888,368                      | 96,380,385                   | 109,097,641                   | 13.19%                    |
| <b>License and Permits</b>     |         |                              |                                 |                              |                               |                           |
| Pool Table License             | 3217001 | 1,150                        | 1,300                           | 1,000                        | 1,300                         | 30.00%                    |
| Cabaret License                | 3217003 | 7,750                        | 4,277                           | 4,000                        | 2,790                         | -30.25%                   |
| Electronic Games               | 3217004 | 550                          | 100                             | 600                          | 201                           | -66.50%                   |
| Amusement License              | 3217009 | 0                            | 450                             | 0                            | 0                             | 0.00%                     |
| Penalties*on Business Licenses | 3218001 | 100,314                      | 95,938                          | 66,117                       | 0                             | 0.00%                     |
| Business* License Fee          | 3219001 | 708,544                      | 1,058,356                       | 988,524                      | 0                             | 0.00%                     |
| Business* Lic Registration Fee | 3219002 | 138,900                      | 0                               | 0                            | 0                             | 0.00%                     |
| House* Moving Permits          | 3219003 | 2,060                        | 2,250                           | 382                          | 0                             | 0.00%                     |
| Franchise Fees                 | 3219101 | 2,547,806                    | 5,801,731                       | 6,063,525                    | 7,489,714                     | 23.52%                    |
| Business License Fee           | 3219901 | 0                            | 0                               | 0                            | 997,185                       | 0.00%                     |
| Building Permits               | 3221001 | 1,369,754                    | 2,253,194                       | 2,760,044                    | 2,667,154                     | -3.36%                    |
| Plumbing Permits               | 3221002 | 96,597                       | 140,930                         | 112,547                      | 145,218                       | 29.02%                    |
| Clear Grade Permits            | 3221003 | 10,320                       | 17,254                          | 8,459                        | 15,610                        | 84.53%                    |
| Side Sewer Permits             | 3221004 | 85,756                       | 94,893                          | 60,000                       | 61,620                        | 2.70%                     |
| Mechanical Permits             | 3221005 | 418,155                      | 460,807                         | 427,428                      | 507,626                       | 18.76%                    |
| Sign Permits                   | 3221006 | 41,206                       | 49,790                          | 67,594                       | 57,512                        | -14.91%                   |
| Electrical Permits             | 3221007 | 463,299                      | 623,398                         | 604,945                      | 343,716                       | -43.18%                   |
| Temporary Membrane Structure   | 3221008 | 2,370                        | 3,639                           | 1,200                        | 1,600                         | 33.33%                    |
| House Moving Permits           | 3221009 | 0                            | 0                               | 0                            | 308                           | 0.00%                     |
| Animal License                 | 3223001 | 339                          | 43                              | 0                            | 0                             | 0.00%                     |
| Street and Curb Permits        | 3224001 | 165,909                      | 191,125                         | 160,000                      | 377,120                       | 135.70%                   |
| Sidewalk Cafe Permit           | 3224002 | 22,517                       | 15,661                          | 22,800                       | 21,362                        | -6.30%                    |
| Street Vacation Permit         | 3224003 | 9,226                        | 0                               | 11,000                       | 10,270                        | -6.63%                    |
| Fireworks Permits              | 3229001 | 250                          | 458                             | 200                          | 400                           | 100.00%                   |
| Fire Alarm Permits             | 3229002 | 31,008                       | 33,916                          | 32,000                       | 32,000                        | 0.00%                     |
| Concealed Weapon Permits       | 3229003 | 10,358                       | 21,567                          | 9,600                        | 16,000                        | 66.66%                    |
| Cigarette Machine Permits      | 3229004 | 160                          | 0                               | 0                            | 0                             | 0.00%                     |
| Other Licenses and Permits     | 3229005 | 5,731                        | 30,992                          | 14,000                       | 15,530                        | 10.92%                    |
| Fire Sprinkler System Permit   | 3229006 | 35,807                       | 49,008                          | 60,000                       | 60,000                        | 0.00%                     |
| Fire Systems-Other Permits     | 3229007 | 2,958                        | 1,900                           | 1,200                        | 1,200                         | 0.00%                     |
| Liquid Tank Install/Remove     | 3229008 | 1,185                        | 227                             | 800                          | 300                           | -62.50%                   |
| Recreational Fire Permit       | 3229009 | 474                          | 790                             | 158                          | 158                           | 0.00%                     |
| Alarm Registration             | 3229010 | 79,820                       | 104,128                         | 123,400                      | 110,636                       | -10.34%                   |
| Interfund* Buildg Permit Fee   | 3290001 | 12,893                       | 91,807                          | 130,000                      | 0                             | 0.00%                     |
| Interfund* Planning Fees       | 3290020 | 1,969                        | 1,029                           | 0                            | 0                             | 0.00%                     |
| Interfund *SEPA Review Fee     | 3290021 | 522                          | 552                             | 0                            | 0                             | 0.00%                     |
| Interfund* Dev Eng Curb ROW    | 3290030 | 9,077                        | 8,637                           | 0                            | 0                             | 0.00%                     |
| Interfund *Street Permit Fee   | 3290040 | 0                            | 397                             | 0                            | 0                             | 0.00%                     |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|                                       |         | 2009 -2010<br>Actual | 2011 - 2012<br>Estimate | 2011- 2012<br>Budget | 2013 - 2014<br>Budget | Percent<br>Change |
|---------------------------------------|---------|----------------------|-------------------------|----------------------|-----------------------|-------------------|
| <b>Total for License and Permits:</b> |         | 6,384,734            | 11,160,544              | 11,731,523           | 12,936,530            | 10.27%            |
| <b>Intergovernmental Revenue</b>      |         |                      |                         |                      |                       |                   |
| Dept. of Justice Prgm Grants          | 3311670 | 14,234               | 9,692                   | 0                    | 0                     | 0.00%             |
| Fed DOJ COPS Grant                    | 3311671 | 0                    | 150,938                 | 156,000              | 0                     | 0.00%             |
| Dept of Homeland Security             | 3319703 | 3,659                | 0                       | 0                    | 0                     | 0.00%             |
| Equi Shar Fed Forfeited Prop          | 3322100 | 0                    | 85,377                  | 0                    | 0                     | 0.00%             |
| Dept of Natural Resources             | 3331066 | 0                    | 10,000                  | 20,000               | 0                     | 0.00%             |
| Forest Svc Urban Comm Frstry          | 3331067 | 0                    | 3,948                   | 9,989                | 0                     | 0.00%             |
| Dept of Justice Grants                | 3331670 | 0                    | 12,269                  | 12,269               | 0                     | 0.00%             |
| Indirect Fed DOL Yth Empl             | 3331726 | 10,120               | 0                       | 0                    | 0                     | 0.00%             |
| Ind Fed DOT Traffic Safety            | 3332060 | 18,120               | 51,125                  | 47,174               | 0                     | 0.00%             |
| Ind Fed DOT Pipeline Safety           | 3332072 | 0                    | 3,000                   | 3,000                | 0                     | 0.00%             |
| Indirect Fed Homeland Security        | 3339701 | 13,819               | 0                       | 0                    | 0                     | 0.00%             |
| Indirect FEMA                         | 3339703 | 0                    | 12,704                  | 0                    | 0                     | 0.00%             |
| Ind Fed EMPG                          | 3339704 | 147,001              | 156,224                 | 166,738              | 0                     | 0.00%             |
| Homeland Security Ind Fed             | 3339706 | 146,303              | 69,359                  | 66,668               | 0                     | 0.00%             |
| CJTC WASPC Grants                     | 3340111 | 53,236               | 21,447                  | 24,054               | 0                     | 0.00%             |
| WA State Patrol                       | 3340130 | 4,146                | 2,889                   | 0                    | 0                     | 0.00%             |
| Military Department                   | 3340180 | 710                  | 2,100                   | 0                    | 0                     | 0.00%             |
| Dept of Ecology                       | 3340310 | 9,600                | 0                       | 0                    | 0                     | 0.00%             |
| Traffic Safety Commission             | 3340350 | 35,608               | 2,881                   | 20,000               | 20,000                | 0.00%             |
| CTR Grants-COK Programs               | 3340362 | 0                    | 1,223                   | 0                    | 0                     | 0.00%             |
| Dept Comm Trade Economic Dev          | 3340420 | 15,000               | 0                       | 0                    | 0                     | 0.00%             |
| Dept of Social Health Svcs            | 3340460 | 3,912                | 3,272                   | 0                    | 0                     | 0.00%             |
| State Archivist                       | 3340691 | 649                  | 0                       | 0                    | 0                     | 0.00%             |
| Streamlined Sales Tax Mitigatn        | 3360099 | 331,512              | 207,899                 | 228,942              | 195,000               | -14.82%           |
| Judicial Contributions - State        | 3360129 | 46,174               | 45,100                  | 68,160               | 45,264                | -33.59%           |
| Criminal Just-Violent Crimes          | 3360621 | 21,379               | 32,841                  | 22,957               | 40,960                | 78.42%            |
| Criminal Justice-Special Pgms         | 3360626 | 81,294               | 116,399                 | 77,948               | 145,818               | 87.07%            |
| DUI Distribution                      | 3360651 | 24,948               | 27,362                  | 20,000               | 30,000                | 50.00%            |
| Liquor Excise Tax                     | 3360694 | 480,141              | 579,617                 | 492,416              | 344,266               | -30.08%           |
| Liquor Control Board Profits          | 3360695 | 726,313              | 1,047,178               | 946,929              | 1,469,645             | 55.20%            |
| Other King County Grants              | 3370801 | 75,224               | 28,627                  | 28,269               | 0                     | 0.00%             |
| King Conservation District            | 3370805 | 54,701               | 96,953                  | 87,129               | 0                     | 0.00%             |
| Sea KC Public Health                  | 3370806 | 0                    | 0                       | 4,000                | 0                     | 0.00%             |
| Intergovt *Court Costs                | 3381201 | 253,232              | 143,010                 | 260,000              | 0                     | 0.00%             |
| Intergovt*Other Gen Govt Svcs         | 3381901 | 10,788               | 12,500                  | 12,500               | 0                     | 0.00%             |
| Intergovt*Building Services           | 3381902 | 81,881               | 37,990                  | 50,000               | 0                     | 0.00%             |
| Law Enforcement*Intergov Svcs         | 3382101 | 629,521              | 47,045                  | 188,827              | 0                     | 0.00%             |
| Law Enf*Sec Svc Revenue               | 3382102 | 1,976                | 11,512                  | 123,866              | 0                     | 0.00%             |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|   |         | <b>2009 -2010<br/>Actual</b> | <b>2011 - 2012<br/>Estimate</b> | <b>2011- 2012<br/>Budget</b> | <b>2013 - 2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---|---------|------------------------------|---------------------------------|------------------------------|-------------------------------|---------------------------|
| Fire*Control Services                       | 3382201 | 13,338                       | 69,849                          | 23,091                       | 0                             | 0.00%                     |
| Fire*District 41                            | 3382202 | 7,484,515                    | 1,586,765                       | 5,110,639                    | 0                             | 0.00%                     |
| Detention*Jail Intergovtl Svcs              | 3382301 | 64,380                       | 40,380                          | 61,400                       | 0                             | 0.00%                     |
| EMS*  | 3382501 | 1,669,831                    | 1,695,237                       | 1,735,407                    | 0                             | 0.00%                     |
| Intergovt*Communications Svcs               | 3382801 | 276,162                      | 0                               | 0                            | 0                             | 0.00%                     |
| Intergovt*Planning Services                 | 3385802 | 34,057                       | 0                               | 0                            | 0                             | 0.00%                     |
| ARRA Dir Fed EECBG                          | 3391811 | 53,772                       | 30,000                          | 30,000                       | 0                             | 0.00%                     |
| ARRA Ind Fed JAG                            | 3392168 | 34,927                       | 10,597                          | 10,597                       | 0                             | 0.00%                     |
| ARRA Ind Fed NEA                            | 3392450 | 6,500                        | 0                               | 0                            | 0                             | 0.00%                     |
| <b>Total for Intergovernmental Revenue:</b> |         | <b>12,932,683</b>            | <b>6,465,309</b>                | <b>10,108,969</b>            | <b>2,290,953</b>              | <b>-77.33%</b>            |
| <b>Charges for Goods and Services</b>       |         |                              |                                 |                              |                               |                           |
| Civil Filing                                | 3412201 | 439                          | 426                             | 400                          | 400                           | 0.00%                     |
| Court Administration Fees                   | 3413301 | 14,271                       | 122,464                         | 32,000                       | 280,000                       | 775.00%                   |
| Sale*of Maps and Publications               | 3415001 | 0                            | 0                               | 2,000                        | 0                             | 0.00%                     |
| Copy*Tape Fees                              | 3416001 | 746                          | 1,605                           | 800                          | 0                             | 0.00%                     |
| Court CopyTape Fees                         | 3416201 | 2,500                        | 2,874                           | 3,000                        | 3,000                         | 0.00%                     |
| Merchandise Sales Non Food                  | 3417001 | 0                            | 137                             | 0                            | 0                             | 0.00%                     |
| Food Sales-Taxable                          | 3417002 | 0                            | 0                               | 3,000                        | 0                             | 0.00%                     |
| Food Sales-Non Taxable                      | 3417003 | 0                            | 4,361                           | 0                            | 0                             | 0.00%                     |
| Sale of Merch Non Taxable                   | 3417050 | 0                            | 0                               | 0                            | 4,000                         | 0.00%                     |
| Sale*of Merch Non Taxable                   | 3417501 | 1,924                        | 1,378                           | 0                            | 0                             | 0.00%                     |
| Recording Fees                              | 3418101 | 0                            | 0                               | 0                            | 36,000                        | 0.00%                     |
| Other*General Government Svcs               | 3419001 | 161,693                      | 163,573                         | 157,170                      | 0                             | 0.00%                     |
| PW Deposit Admin Fees                       | 3419002 | 36,071                       | 56,636                          | 10,600                       | 0                             | 0.00%                     |
| Special*Event Services                      | 3419003 | 21,196                       | 23,011                          | 20,000                       | 0                             | 0.00%                     |
| Planning*Deposit Admin Fees                 | 3419004 | 6,236                        | 0                               | 0                            | 0                             | 0.00%                     |
| General Govt Services                       | 3419601 | 0                            | 0                               | 0                            | 156,920                       | 0.00%                     |
| Passport Fees                               | 3419901 | 67,675                       | 59,550                          | 56,650                       | 65,450                        | 15.53%                    |
| Law Enforcement Services                    | 3421001 | 0                            | 0                               | 0                            | 17,140                        | 0.00%                     |
| EMS   | 3422101 | 0                            | 0                               | 0                            | 1,769,290                     | 0.00%                     |
| Adult Probation Charges                     | 3423301 | 1,176,287                    | 1,219,135                       | 1,940,768                    | 1,290,000                     | -33.53%                   |
| Housing Monitoring Prisoners                | 3423601 | 197,570                      | 235,835                         | 186,800                      | 234,000                       | 25.26%                    |
| Detention Jail Services                     | 3423604 | 0                            | 0                               | 0                            | 38,000                        | 0.00%                     |
| Booking Fees                                | 3423701 | 30,209                       | 42,054                          | 32,000                       | 44,000                        | 37.50%                    |
| Protective Inspec Spec Hse                  | 3424001 | 425                          | 248                             | 600                          | 120                           | -80.00%                   |
| DUI Emergency Response                      | 3425001 | 500                          | 0                               | 500                          | 500                           | 0.00%                     |
| DUI Emergency Aid                           | 3426001 | 246                          | 0                               | 500                          | 500                           | 0.00%                     |
| Emergency Transport Fee                     | 3426010 | 0                            | 1,415,708                       | 1,414,858                    | 1,787,136                     | 26.31%                    |
| Communication Intergovt Svcs                | 3428101 | 0                            | 0                               | 0                            | 400,000                       | 0.00%                     |
| Crim *Conv Fee Court                        | 3429002 | 32,705                       | 40,345                          | 35,000                       | 42,000                        | 20.00%                    |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|                                |         | 2009 -2010 | 2011 - 2012 | 2011- 2012 | 2013 - 2014 | Percent |
|--------------------------------|---------|------------|-------------|------------|-------------|---------|
|                                |         | Actual     | Estimate    | Budget     | Budget      | Change  |
| Public*Safety Misc Services    | 3429003 | 7,475      | 0           | 0          | 0           | 0.00%   |
| Res/Storm Erosion Review Fee   | 3431901 | 0          | 20,384      | 0          | 61,620      | 0.00%   |
| SW Drainage Rpt Review Fee     | 3431902 | 0          | 0           | 0          | 51,350      | 0.00%   |
| Engineering* Development       | 3432001 | 570,902    | 1,499,435   | 938,998    | 0           | 0.00%   |
| Res*Storm/Erosion Review Fee   | 3432002 | 55,925     | 140,122     | 47,000     | 0           | 0.00%   |
| SW*Drainage Report Review Fee  | 3432003 | 18,140     | 112,075     | 34,000     | 0           | 0.00%   |
| Traffic*Control Plan Review    | 3432004 | 0          | 7,652       | 0          | 0           | 0.00%   |
| Residential Water Sales        | 3434001 | 100        | 0           | 0          | 0           | 0.00%   |
| Engineering Development        | 3438801 | 0          | 0           | 0          | 1,027,000   | 0.00%   |
| Public Access Sign Fee         | 3439101 | 0          | 142         | 0          | 0           | 0.00%   |
| PW Deposit Admin Fees          | 3441101 | 0          | 0           | 0          | 24,648      | 0.00%   |
| Traffic Control Plan Review    | 3441310 | 0          | 0           | 0          | 8,216       | 0.00%   |
| Subdivision Fee                | 3458101 | 0          | 3,481       | 6,300      | 9,244       | 46.73%  |
| Permit Appeal/Interpretation   | 3458109 | 457        | 2,070       | 800        | 850         | 6.25%   |
| Accessory Dwelling Unit        | 3458110 | 0          | 1,035       | 800        | 425         | -46.87% |
| Street Improvement Fee in Lieu | 3458116 | 0          | 0           | 7,820      | 0           | 0.00%   |
| Fee In Lieu of Planting        | 3458117 | 0          | 2,600       | 2,500      | 2,000       | -20.00% |
| PCD Off Decisions Modification | 3458120 | 11,711     | 21,538      | 20,000     | 28,756      | 43.78%  |
| PCD Dir Decisions Modification | 3458121 | 3,554      | 8,970       | 7,000      | 10,270      | 46.71%  |
| Other PCD Official Decisions   | 3458125 | 112,523    | 213,862     | 109,100    | 205,400     | 88.26%  |
| Other PCD Director Decisions   | 3458126 | 48,585     | 52,292      | 55,000     | 61,620      | 12.03%  |
| Process I Review               | 3458127 | 155,953    | 279,445     | 235,162    | 328,640     | 39.75%  |
| Process IIA Review             | 3458128 | 33,257     | 154,081     | 70,000     | 205,400     | 193.42% |
| Process IIB and III Review     | 3458129 | 96,248     | 148,688     | 150,216    | 84,320      | -43.86% |
| Design Board Review            | 3458130 | 90,409     | 120,927     | 135,162    | 144,590     | 6.97%   |
| Plan Check Fee                 | 3458301 | 939,656    | 1,483,120   | 1,930,263  | 1,673,728   | -13.29% |
| Energy Code Fee                | 3458302 | 27,028     | 43,967      | 24,000     | 53,404      | 122.51% |
| Electrical Plan Review         | 3458303 | 27,571     | 61,213      | 24,000     | 56,876      | 136.98% |
| Fire Department Plan Review    | 3458305 | 16,610     | 25,672      | 24,000     | 24,000      | 0.00%   |
| Express Review                 | 3458306 | 24,045     | 22,800      | 0          | 24,000      | 0.00%   |
| Planning 3rd Party Review      | 3458307 | 9,000      | 19,579      | 0          | 20,000      | 0.00%   |
| Short Plat Rec Review          | 3458309 | 0          | 7,316       | 0          | 3,081       | 0.00%   |
| SEPA Appeal                    | 3458601 | 0          | 0           | 0          | 426         | 0.00%   |
| SEPA Transp Review Fee         | 3458602 | 0          | 0           | 0          | 41,080      | 0.00%   |
| Concurrency Review             | 3458901 | 8,784      | 17,599      | 6,600      | 20,540      | 211.21% |
| Environmental Review Fee       | 3458902 | 19,273     | 35,384      | 27,000     | 20,540      | -23.92% |
| SEPA* Appeal                   | 3458903 | 585        | 1,035       | 400        | 0           | 0.00%   |
| Comprehensive Plan Requests    | 3458904 | 938        | 1,295       | 900        | 655         | -27.22% |
| Planning Pre-Submittal Meeting | 3458906 | 65,425     | 81,022      | 62,500     | 102,700     | 64.32%  |
| Road Impact Fee Appeal         | 3458907 | 275        | 0           | 0          | 0           | 0.00%   |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|  |         | <b>2009 -2010</b> | <b>2011 - 2012</b> | <b>2011- 2012</b> | <b>2013 - 2014</b> | <b>Percent</b> |
|--|---------|-------------------|--------------------|-------------------|--------------------|----------------|
|  |         | <b>Actual</b>     | <b>Estimate</b>    | <b>Budget</b>     | <b>Budget</b>      | <b>Change</b>  |
| Rd Impact Fee-Ind Calculations                   | 3458908 | 1,159             | 3,410              | 0                 | 3,080              | 0.00%          |
| SEPA*Transp Review Fee                           | 3458910 | 11,121            | 51,150             | 4,403             | 0                  | 0.00%          |
| MBP Service Fee                                  | 3458911 | 0                 | 103,582            | 66,000            | 100,000            | 51.51%         |
| Pool Admission Fees                              | 3473001 | 0                 | 139,433            | 148,400           | 144,000            | -2.96%         |
| Boat Launch Fees                                 | 3473003 | 0                 | 59,964             | 70,000            | 63,000             | -10.00%        |
| Special Event Admissions                         | 3474001 | 0                 | 6,513              | 3,000             | 5,400              | 80.00%         |
| Open Gym Fees                                    | 3476001 | 0                 | 3,733              | 40,069            | 0                  | 0.00%          |
| Recreational Sports                              | 3476002 | 0                 | 312,723            | 284,000           | 316,000            | 11.26%         |
| Team Sports                                      | 3476003 | 0                 | 131,358            | 180,000           | 152,000            | -15.55%        |
| Physical Fitness                                 | 3476004 | 0                 | 165,480            | 136,000           | 164,000            | 20.58%         |
| Tennis Badminton                                 | 3476005 | 0                 | 21,453             | 20,000            | 22,000             | 10.00%         |
| Day Camp   | 3476006 | 0                 | 233,357            | 236,000           | 240,000            | 1.69%          |
| Aquatics   | 3476007 | 0                 | 375,764            | 370,800           | 390,000            | 5.17%          |
| Misc Rec Instructional Activ                     | 3476008 | 0                 | 55,265             | 162,000           | 70,000             | -56.79%        |
| Preschool NKCC Programs                          | 3476009 | 0                 | 319,575            | 280,000           | 320,000            | 14.28%         |
| Recreation Educ Classes                          | 3476010 | 0                 | 203,514            | 230,000           | 224,000            | -2.60%         |
| Van Trips  | 3476015 | 0                 | 40,680             | 46,000            | 46,000             | 0.00%          |
| Misc Youth Programs                              | 3476016 | 0                 | 119,303            | 84,000            | 110,000            | 30.95%         |
| Open Gym   | 3476017 | 0                 | 9,453              | 7,000             | 8,000              | 14.28%         |
| Parks Advertising                                | 3479002 | 0                 | 19,270             | 6,600             | 20,000             | 203.03%        |
| Conference/Program Fees                          | 3479003 | 0                 | 3,816              | 11,500            | 4,200              | -63.47%        |
| Special Event Services                           | 3479101 | 0                 | 0                  | 0                 | 22,000             | 0.00%          |
| Interfund-Accounting Services                    | 3491401 | 1,197,255         | 1,565,335          | 1,567,615         | 1,507,189          | -3.85%         |
| Interfund Personnel Services                     | 3491601 | 0                 | 18,029             | 11,832            | 0                  | 0.00%          |
| Interfund Citywide Overhead                      | 3491801 | 4,006,069         | 4,605,822          | 4,601,243         | 4,353,673          | -5.38%         |
| Interfund-Other Gen Govnmt                       | 3491901 | 80,635            | 223,698            | 277,913           | 224,910            | -19.07%        |
| Interfund Services-Doc Mgt                       | 3491902 | 170,045           | 35,392             | 187,824           | 0                  | 0.00%          |
| Interfund Engineering-COS                        | 3493201 | 597,125           | 572,040            | 600,000           | 601,641            | 0.27%          |
| Interfund Engineering-CIP Eng                    | 3493202 | 2,853,907         | 3,117,829          | 3,591,191         | 3,437,838          | -4.27%         |
| Intrfnd Engineering-Develp Svc                   | 3493205 | 684,653           | 447,586            | 355,740           | 330,236            | -7.16%         |
| Interfund - Planning Services                    | 3495801 | 108,123           | 113,464            | 120,993           | 131,224            | 8.45%          |
| Interfund-Parks Planning Svcs                    | 3497901 | 95,886            | 37,860             | 31,724            | 100,000            | 215.21%        |
| Interfund Svcs-Environmnt Svcs                   | 3497902 | 41,413            | 99,346             | 106,539           | 0                  | 0.00%          |
| <b>Total for Charges for Goods and Services:</b> |         | <b>13,942,513</b> | <b>21,193,338</b>  | <b>21,654,553</b> | <b>23,574,226</b>  | <b>8.86%</b>   |
| <b>Fines and Forfeits</b>                        |         |                   |                    |                   |                    |                |
| Mandatory Insurance Costs                        | 3523001 | 59,724            | 102,270            | 94,966            | 110,000            | 15.83%         |
| Boating Safety Infractions                       | 3524000 | 0                 | 218                | 0                 | 500                | 0.00%          |
| Traffic Infraction Penalties                     | 3531001 | 1,328,888         | 1,667,801          | 2,080,219         | 1,670,000          | -19.71%        |
| Non-Traffic Infraction Penalty                   | 3537001 | 4,447             | 8,210              | 6,242             | 7,000              | 12.14%         |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|  |         | <b>2009 -2010<br/>Actual</b> | <b>2011 - 2012<br/>Estimate</b> | <b>2011- 2012<br/>Budget</b> | <b>2013 -2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|--|---------|------------------------------|---------------------------------|------------------------------|------------------------------|---------------------------|
| Parking Infraction Penalties             | 3541001 | 908,964                      | 820,240                         | 1,668,158                    | 980,000                      | -41.25%                   |
| DUI Fines                                | 3552001 | 74,783                       | 89,840                          | 126,672                      | 100,000                      | -21.05%                   |
| Criminal Traffic Misdemeanor             | 3558001 | 328,611                      | 379,916                         | 522,186                      | 400,000                      | -23.39%                   |
| NEDC* Court Fines                        | 3559001 | 2,365                        | 1,265                           | 3,168                        | 0                            | 0.00%                     |
| Other Non-Traffic Fines                  | 3569001 | 145,290                      | 150,033                         | 245,741                      | 164,000                      | -33.26%                   |
| Domestic Violence Penalty Ass.           | 3569008 | 0                            | 5,048                           | 0                            | 5,000                        | 0.00%                     |
| Court* Cost Recoupments                  | 3573001 | 219,611                      | 2,823                           | 359,097                      | 4,000                        | -98.88%                   |
| Public Defender Fees                     | 3573300 | 0                            | 129,846                         | 0                            | 140,000                      | 0.00%                     |
| Forfeiture of Bonds Deposits             | 3591001 | 10,647                       | 19,888                          | 12,081                       | 0                            | 0.00%                     |
| Business Lic Penalty                     | 3592001 | 0                            | 0                               | 0                            | 102,526                      | 0.00%                     |
| Business Tax Penalty                     | 3592002 | 0                            | 0                               | 0                            | 16,080                       | 0.00%                     |
| Code Enforcement Fines                   | 3599002 | 5,200                        | 15,850                          | 5,454                        | 20,540                       | 276.60%                   |
| False Alarm Penalty                      | 3599003 | 67,810                       | 87,990                          | 92,675                       | 97,278                       | 4.96%                     |
| <b>Total for Fines and Forfeits:</b>     |         | <b>3,156,340</b>             | <b>3,481,238</b>                | <b>5,216,659</b>             | <b>3,816,924</b>             | <b>-26.83%</b>            |
| <b>Miscellaneous Revenues</b>            |         |                              |                                 |                              |                              |                           |
| Investment Interest                      | 3611101 | 92,360                       | 0                               | 0                            | 0                            | 0.00%                     |
| Investment Interest-Dedicated            | 3611102 | 440,749                      | 676,257                         | 394,315                      | 451,200                      | 14.42%                    |
| Int on Sales Tax Contract AR             | 3614001 | 146,079                      | 124,111                         | 0                            | 120,000                      | 0.00%                     |
| Moorage Rentals                          | 3624001 | 0                            | 214,289                         | 200,000                      | 204,000                      | 2.00%                     |
| Senior Center Facility Rentals           | 3624002 | 605                          | 28,030                          | 4,200                        | 12,000                       | 185.71%                   |
| NKCC Rentals                             | 3624003 | 0                            | 24,926                          | 23,500                       | 22,000                       | -6.38%                    |
| Park Facility Rentals                    | 3624005 | 0                            | 123,147                         | 124,500                      | 114,500                      | -8.03%                    |
| Pool Locker Rentals                      | 3624006 | 0                            | 274                             | 400                          | 600                          | 50.00%                    |
| Other Park Rentals                       | 3624007 | 445                          | 52,384                          | 50,000                       | 56,600                       | 13.20%                    |
| Facilities Leases LT-Other               | 3625002 | 84,830                       | 133,963                         | 98,807                       | 185,261                      | 87.49%                    |
| Housing Rental Leases                    | 3626001 | 0                            | 118,329                         | 131,160                      | 135,360                      | 3.20%                     |
| Concession Proceeds Non LET              | 3628001 | 0                            | 26,994                          | 34,000                       | 4,000                        | -88.23%                   |
| Concession Proceeds LET                  | 3628002 | 0                            | 19,619                          | 0                            | 36,000                       | 0.00%                     |
| Sr Charters-Commissions                  | 3629001 | 0                            | 255                             | 0                            | 0                            | 0.00%                     |
| ContribDonations Private                 | 3679901 | 15,689                       | 263,622                         | 99,959                       | 44,800                       | -55.18%                   |
| Unclaimed Money Property                 | 3692001 | 0                            | 837                             | 0                            | 0                            | 0.00%                     |
| ConfiscatedForfeited Property            | 3693001 | 0                            | 17,411                          | 10,000                       | 10,000                       | 0.00%                     |
| Other Judgements Settlements             | 3694001 | 14,337                       | 5,604                           | 0                            | 10,000                       | 0.00%                     |
| Cash Over Short                          | 3698101 | 9                            | -85                             | 0                            | 0                            | 0.00%                     |
| Other Misc Revenue                       | 3699001 | 38,200                       | 112,292                         | 30,000                       | 30,000                       | 0.00%                     |
| Recording*Charges                        | 3699002 | 24,882                       | 29,420                          | 40,000                       | 0                            | 0.00%                     |
| <b>Total for Miscellaneous Revenues:</b> |         | <b>858,185</b>               | <b>1,971,679</b>                | <b>1,240,841</b>             | <b>1,436,321</b>             | <b>15.75%</b>             |
| <b>Non-Revenues</b>                      |         |                              |                                 |                              |                              |                           |
| Other Inc to FB or Assets                | 3888001 | 0                            | 3,467,255                       | 1,722,725                    | 0                            | 0.00%                     |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

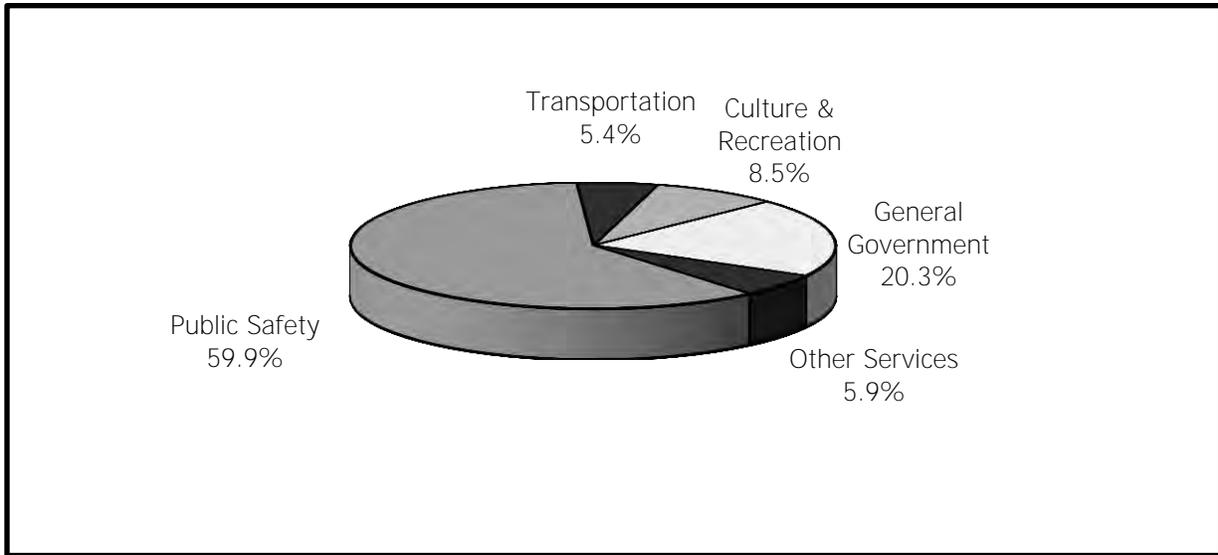
|  | 2009 -2010<br>Actual | 2011 - 2012<br>Estimate | 2011- 2012<br>Budget | 2013 - 2014<br>Budget | Percent<br>Change |
|--|----------------------|-------------------------|----------------------|-----------------------|-------------------|
| <b>Total for Non-Revenues:</b>             | 0                    | 3,467,255               | 1,722,725            | 0                     | 0.00%             |
| <b>Other Financing Sources</b>             |                      |                         |                      |                       |                   |
| Proceeds Sales of Fixed Assets 3951001     | 0                    | 1,192                   | 0                    | 0                     | 0.00%             |
| Operating Transfer In 3971001              | 6,752,847            | 197,685                 | 428,588              | 587,763               | 37.13%            |
| Ins Rec Gen Govt Non Capital 3980001       | 5,520                | 0                       | 0                    | 0                     | 0.00%             |
| Resources Forward 3999901                  | 0                    | 12,877,021              | 12,877,021           | 17,886,480            | 38.90%            |
| <b>Total for Other Financing Sources:</b>  | 6,758,367            | 13,075,898              | 13,305,609           | 18,474,243            | 38.84%            |
| <b>Total for General Fund (010000000):</b> | 115,445,829          | 158,703,629             | 161,361,264          | 171,626,838           | 6.36%             |
| <b>Total for Not Applicable:</b>           | 115,445,829          | 158,703,629             | 161,361,264          | 171,626,838           | 6.36%             |
| <b>Total for General:</b>                  | 115,445,829          | 158,703,629             | 161,361,264          | 171,626,838           | 6.36%             |
| <b>Total for General Fund:</b>             | 115,445,829          | 158,703,629             | 161,361,264          | 171,626,838           | 6.36%             |

# EXPENDITURE SUMMARY



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**CITY OF KIRKLAND  
 GENERAL GOVERNMENT OPERATING  
 GENERAL FUND  
 2013-2014 EXPENDITURE SUMMARY: BY PROGRAM**



The The General Fund accounts for about 60 percent of the City's General Government Operating budget. The majority of the expenditures in the General Fund are devoted to Public Safety (police, fire, building inspection, and municipal court services), with General Government (legislative, executive, legal, administrative, financial, community planning services) being the next largest program area.

Comparisons between 2011-2012 and 2013-2014 are challenging, primarily due to the annexation effective partway through the last biennium, during which services and costs were ramping up. The 2013-2014 budget reflects providing services to the new neighborhoods for the full two-year period. Significant factors contributing to changes include:

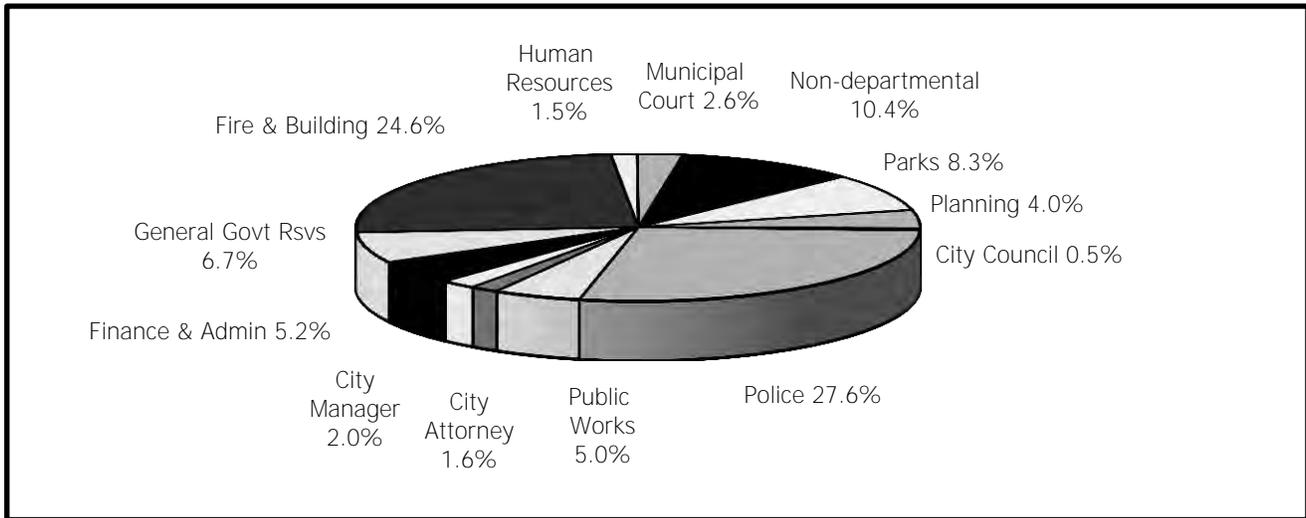
- Increases to the Other Services category are primarily due to undistributed salary and benefit costs.
- Transportation increased primarily due to additional engineering resources resulting from street levy projects.
- The Public Safety category increases are due to providing services to the new neighborhoods for the full two-year biennium, setting up sinking fund reserves for public safety equipment, and recommended service packages related to implementation of the Fire Strategic Plan.
- Culture & Recreation declined due to on-going funding in the Parks Levy Fund of previously one-time General

**Analysis of Change**

| Program              | 2009-10 Actual*    | 2011-12 Budget     | 2013-14 Budget     | Percent Change |
|----------------------|--------------------|--------------------|--------------------|----------------|
| Public Safety        | 72,223,852         | 97,152,118         | 102,995,771        | 6.01%          |
| Transportation       | 7,536,743          | 8,643,423          | 9,268,839          | 7.24%          |
| Culture & Recreation | 13,567,943         | 15,013,036         | 14,528,213         | -3.23%         |
| General Government   | 30,311,166         | 34,802,535         | 34,776,867         | -0.07%         |
| Other Services       | 4,418,182          | 5,750,152          | 10,057,148         | 74.90%         |
| <b>Program Total</b> | <b>128,057,886</b> | <b>161,361,264</b> | <b>171,626,838</b> | <b>6.36%</b>   |

\*2009-10 reserves are budgeted, but not spent

**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
GENERAL FUND  
2013-2014 EXPENDITURE SUMMARY: BY DEPARTMENT**



The two largest departments in the General Fund are Police and Fire & Building, which provide public safety services. Next is Parks & Community Services that provides recreational and cultural programs, operates/develops the park system and community centers, and provides youth and human services. Nondepartmental, while larger in total dollars, includes undistributed personnel costs that are applicable to all departments.

Comparisons between 2011-2012 and 2013-2014 are challenging, primarily due to the annexation effective partway through the last biennium, during which services and costs were ramping up. The 2013-2014 budget reflects providing services to the new neighborhoods for the full two-year period. Significant factors contributing to changes include:

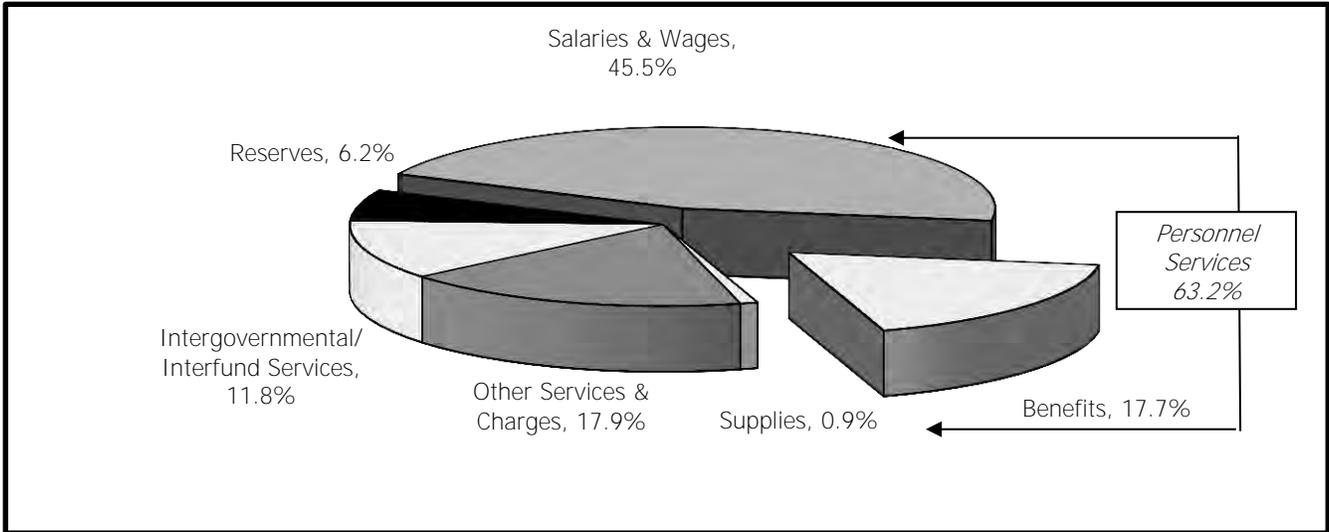
- Nondepartmental increases are primarily due to funding for public safety and technology equipment sinking funds, undistributed budgets for personnel costs, reserves for funding Police LEOFF 1 retiree medical costs, and working capital (which were shown in 2011-2012 as general reserves).
- Public Works increases reflect engineering resources added for traffic management and to support the Street Levy.
- Planning & Community Development increases due to one-time costs for the Growth Management Act Comprehensive Plan update and Environmental Impact Statement budgeted.

**Analysis of Change**

| Department                       | 2009-10 Actual*    | 2011-12 Budget     | 2013-14 Budget     | Percent Change |
|----------------------------------|--------------------|--------------------|--------------------|----------------|
| General Government Reserves      | 10,834,382         | 12,505,786         | 11,578,350         | -7.42%         |
| Nondepartmental                  | 5,236,507          | 9,482,779          | 17,934,450         | 89.13%         |
| City Council                     | 689,283            | 777,826            | 811,426            | 4.32%          |
| City Manager                     | 3,093,950          | 3,478,775          | 3,465,677          | -0.38%         |
| Human Resources                  | 2,016,015          | 2,542,206          | 2,546,399          | 0.16%          |
| City Attorney                    | 1,986,402          | 2,527,873          | 2,729,983          | 8.00%          |
| Municipal Court                  | 3,075,224          | 4,597,427          | 4,542,320          | -1.20%         |
| Parks & Community Services       | 13,567,943         | 14,793,923         | 14,170,169         | -4.22%         |
| Public Works                     | 6,718,418          | 7,852,397          | 8,493,222          | 8.16%          |
| Finance & Administration         | 7,039,054          | 8,732,772          | 8,968,035          | 2.69%          |
| Planning & Community Development | 5,344,400          | 6,357,476          | 6,816,151          | 7.21%          |
| Police                           | 33,185,219         | 46,902,666         | 47,414,232         | 1.09%          |
| Fire & Building                  | 35,271,089         | 40,809,358         | 42,156,424         | 3.30%          |
| <b>Department Total</b>          | <b>128,057,886</b> | <b>161,361,264</b> | <b>171,626,838</b> | <b>6.36%</b>   |

\*2009-10 reserves are budgeted, but not spent

**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
GENERAL FUND  
2013-2014 EXPENDITURE SUMMARY: BY CATEGORY**



Salaries & Wages and Benefits comprise 63 percent of the General Fund budget, with Public Safety representing almost 65 percent of these expenditure categories. Other Services & Charges is the next largest category and is comprised mostly of contracted direct services (such as dispatch, jail and human services), contracted support services (such as consulting, printing, and repairs and maintenance services), and internal charges from one City fund to another (for information technology, fleet, and facilities maintenance).

Comparisons between 2011-2012 and 2013-2014 are challenging, primarily due to the annexation effective partway through the last biennium, during which services and costs were ramping up. The 2013-2014 budget reflects providing services to the new neighborhoods for the full two-year period. Significant factors contributing to changes include:

- Personnel costs (salaries and benefits) are a combination of cost increases for two years, the full impact of additional staffing to provide services to the new neighborhoods for a full two years, and proposed staffing added as a result of the Street and Park levies.
- Other Services & Charges increased primarily due to internal charges, one-time planning costs, and legal services.
- Supplies and Capital Outlay decreased primarily due to one-time annexation-related expenses in 2011-2012 and budget reductions taken to balance the 2013-14 budget.
- Reserves decreased due to the planned use of funds set aside toward the construction of the new Public Safety Building.

**Analysis of Change**

| Category                             | 2009-10 Actual*    | 2011-12 Budget     | 2013-14 Budget     | Percent Change |
|--------------------------------------|--------------------|--------------------|--------------------|----------------|
| Salaries & Wages                     | 61,687,093         | 71,545,269         | 77,811,419         | 8.76%          |
| Benefits                             | 21,615,644         | 28,472,609         | 30,404,764         | 6.79%          |
| Supplies                             | 1,636,255          | 2,583,837          | 1,590,367          | -38.45%        |
| Other Services & Charges             | 22,894,384         | 28,077,881         | 30,712,884         | 9.38%          |
| Intergovernmental/Interfund Services | 9,362,079          | 17,878,700         | 20,311,813         | 13.61%         |
| Capital Outlay                       | 28,049             | 297,182            | 105,940            | -64.35%        |
| Reserves                             | 10,834,382         | 12,505,786         | 10,689,651         | -14.52%        |
| <b>Category Total</b>                | <b>128,057,886</b> | <b>161,361,264</b> | <b>171,626,838</b> | <b>6.36%</b>   |

\*2009-10 reserves are budgeted, but not spent

**2013 - 2014 BUDGET ANALYSIS**

***GENERAL FUND***

**ANALYSIS OF CHANGES**

|   |              |                    |               |
|---|--------------|--------------------|---------------|
| <b>2011-12 Approved Budget (Including Annexation-Related Expenditures)</b>  |              | <b>161,361,264</b> |               |
| One-Time Adjustments & Carryovers   | 989,525      |                    |               |
| <i>Percent Change Due to One-Time Adjustments, Carryovers, and Reserves</i> |              |                    | <i>0.61%</i>  |
| <b>Adjusted Biennial Basis of Comparison for 2013-14 Basic Budget</b>       |              | <b>162,350,789</b> |               |
| <b>2013-14 Basic Budget Changes:</b>  |              |                    |               |
| 2011-12 Impact on 2013-14 Salaries & Wages                                  | 1,852,864    |                    |               |
| 2013-14 Impact on Salaries & Wages  | 4,264,609    |                    |               |
| Employee Benefits & Self Insurance Reserve                                  | 1,350,446    |                    |               |
| Fleet - Internal Services Rate  | 183,445      |                    |               |
| IT - Internal Services Rate   | 517,940      |                    |               |
| Facilities - Internal Services Rate   | 115,694      |                    |               |
| Insurance   | 117,418      |                    |               |
| Professional Services   | 331,214      |                    |               |
| One Percent General Purpose Reserve Replenishment                           | 1,563,214    |                    |               |
| Equipment Replacement Sinking Fund  |              |                    |               |
| Police  | 250,000      |                    |               |
| Fire  | 750,000      |                    |               |
| Information Technology  | 900,000      |                    |               |
| Intergovernmental & Interfund Charges                                       | 556,794      |                    |               |
| Travel, Training and Subsistence  | 103,969      |                    |               |
| Net Miscellaneous Adjustments   | 105,077      |                    |               |
| Total Basic Budget Changes  |              | 12,962,684         |               |
| <i>Percent Change Due to Basic Budget Changes</i>                           |              |                    | <i>8.03%</i>  |
| <b>Subtotal 2013-14 Basic Budget</b>  |              | <b>175,313,473</b> |               |
| <b>2013-14 Recommended Reductions and Service Packages</b>                  |              |                    |               |
| 2013-14 Expenditure Reductions:   | (3,603,334)  |                    |               |
| 2013-14 Service Packages  | 1,732,834    |                    |               |
| Total Net Change  |              | (1,870,500)        |               |
| <i>Percent Change Due to Service Packages</i>                               |              |                    | <i>-1.16%</i> |
| <b>Subtotal 2013-14 Budget Before Reserves</b>                              |              | <b>173,442,973</b> |               |
| Less 2011-12 Reserves   | (12,505,786) |                    |               |
| Plus 2013-14 Reserves   | 10,689,651   |                    |               |
|   |              | (1,816,135)        |               |
| <i>Percent Change Due to Reserves</i>                                       |              |                    | <i>-1.13%</i> |

**COMPARISON OF 2011-12 BUDGET TO 2013-14 BUDGET**

|                             |                   |                    |              |
|-----------------------------|-------------------|--------------------|--------------|
| <b>Total 2013-14 Budget</b> | <b>10,265,574</b> | <b>171,626,838</b> | <b>6.36%</b> |
|-----------------------------|-------------------|--------------------|--------------|

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**GENERAL GOVERNMENT  
OPERATING RESERVES**



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## DEPARTMENT OVERVIEW

# ***GENERAL GOVERNMENT OPERATING RESERVES***

## MISSION

The purpose of **General Government Operating Reserves** is to account for all reserves that were moved from separate funds into the General Fund as part of the fund restructuring required by accounting rule changes (GASB 54), as well as maintaining the General Fund operating contingency reserve.

## DEPARTMENT FUNCTIONS

This department is actually an accumulation of many reserves that were previously budgeted in other funds, with the exception of the General Fund operating contingency. Reserves moved to the General Fund from other funds as of 2011-12 Budget include:

- Recreation Revolving (Fund 126)
- Park & Municipal Reserve (Fund 157)
- Tour Dock (Fund 159)
- Grant Control (Fund 188)

Monies are accumulated over a period of time and used as needed for operating contingencies or specific projects or purposes, which include:

- General Operating Reserve, established by the Council in 1989. In 2003 a portion of this reserve (also known as the Rainy Day Reserve) was segregated to establish a Revenue Stabilization Reserve. This reserve will address temporary revenue losses due to economic cycles or other time-limited causes. The target for the Rainy Day Reserve is five percent of the operating fund budgets (excluding utility and internal service funds). The target for the Revenue Stabilization Reserve is set at ten percent of the General Fund revenue sources subject to economic or other temporary influences that create volatility (e.g. sales tax, and utility taxes).
- Planning, acquisition, construction, maintenance, and repair of municipal facilities, parks and property.
- Specific projects or purposes (such as litigation expenses).

**2013-2014 FINANCIAL OVERVIEW**

***GENERAL GOVERNMENT OPERATING RESERVES***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | -                           | 12,888                        | -                           | -                           | n/a                       |
| Benefits            | -                           | 138                           | -                           | -                           | n/a                       |
| Supplies            | -                           | 41,482                        | -                           | -                           | n/a                       |
| Other Services      | -                           | 128,813                       | -                           | -                           | n/a                       |
| Government Services | -                           | 4,243                         | -                           | 2,660,857                   | n/a                       |
| Capital Outlay      | -                           | -                             | -                           | -                           | n/a                       |
| Reserves            | -                           | -                             | 12,505,786                  | 8,917,493                   | n/a                       |
| <b>TOTAL</b>        | -                           | 187,564                       | 12,505,786                  | 11,578,350                  | n/a                       |

**FINANCIAL SUMMARY BY DIVISION**

|                             | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|-----------------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Gen'l. Govt. Oper. Reserves | -                           | 187,564                       | 12,505,786                  | 11,578,350                  | n/a                       |
| <b>TOTAL</b>                | -                           | 187,564                       | 12,505,786                  | 11,578,350                  | n/a                       |

**POSITION SUMMARY BY DIVISION**

|                             | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|-----------------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Gen'l. Govt. Oper. Reserves | 0.00                        | 0.00               | 0.00                        | 0.00               | 0.00                        |
| <b>TOTAL</b>                | 0.00                        | 0.00               | 0.00                        | 0.00               | 0.00                        |

**NONDEPARTMENTAL**



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**DEPARTMENT OVERVIEW*****NON-DEPARTMENTAL*****MISSION**

The purpose of Non-departmental is to account for all expenditures that cannot be specifically designated to any operating department within the General Fund.

**DEPARTMENT FUNCTIONS**

Examples of expenses in this area include shared paper products, contracts with outside agencies, LEOFF 1 medical payments, and the Employee Transportation Program.

Non-departmental also includes transfers to reserves and debt service funds.

**RELATIONSHIP TO COUNCIL GOALS****Public Safety**

- Provide for retired Police and Firefighter LEOFF 1 medical benefits.

**Balanced Transportation**

- Continue employee Commute Trip Reduction program to encourage reduction of single occupancy vehicle travel to work.

**Environment**

- Continue membership in the Puget Sound Air Pollution Control Association.

**Dependable Infrastructure**

- Provide for hydrant maintenance in support of fire suppression activities as required by recent court cases.
- Provide for debt service on City facilities including the Library Parking Garage, City Hall and the Public Safety Building.

**BUDGET HIGHLIGHTS****2013-2014 Reductions and Efficiencies**

- Fund LEOFF 1 retiree medical costs from overfunded portion of Firefighter Pension Fund per actuarial recommendation.

**2013-2014 Additions**

- Two of the City's collective bargaining units, AFSCME and Teamsters, have closed contracts for the biennium and the Police Guild contract is closed in 2013 but open in 2014. All other collective bargaining agreements are open for the biennium. Funds have been set aside to be distributed for personnel cost increases on closed contracts/management & confidential and in anticipation of the settlement of the open contracts.

**2013 - 2014 FINANCIAL OVERVIEW**

***NONDEPARTMENTAL***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <u>2009-2010<br/>Actual</u> | <u>2011-2012<br/>Estimate</u> | <u>2011-2012<br/>Budget</u> | <u>2013-2014<br/>Budget</u> | <u>Percent<br/>Change</u> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 15,641                      | -                             | -                           | 4,264,810                   | 0.00%                     |
| Benefits            | 1,015,230                   | 1,037,912                     | 1,166,044                   | 1,134,870                   | -2.67%                    |
| Supplies            | 47,771                      | 50,855                        | 51,700                      | 51,700                      | 0.00%                     |
| Other Services      | 1,228,699                   | 1,008,936                     | 1,027,619                   | 1,024,921                   | -0.26%                    |
| Government Services | 2,929,166                   | 7,083,270                     | 7,237,416                   | 9,685,991                   | 33.83%                    |
| Capital Outlay      | -                           | -                             | -                           | -                           | 0.00%                     |
| Reserves            | -                           | -                             | -                           | 1,772,158                   | n/a                       |
| <b>TOTAL</b>        | 5,236,507                   | 9,180,973                     | 9,482,779                   | 17,934,450                  | 89.13%                    |

**FINANCIAL SUMMARY BY DIVISION**

|                 | <u>2009-2010<br/>Actual</u> | <u>2011-2012<br/>Estimate</u> | <u>2011-2012<br/>Budget</u> | <u>2013-2014<br/>Budget</u> | <u>Percent<br/>Change</u> |
|-----------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Nondepartmental | 5,236,507                   | 9,180,973                     | 9,482,779                   | 17,934,450                  | 89.13%                    |
| <b>TOTAL</b>    | 5,236,507                   | 9,180,973                     | 9,482,779                   | 17,934,450                  | 89.13%                    |

**POSITION SUMMARY BY DIVISION**

|                 | <u>2009-2010<br/>Actual</u> | <u>Adjustments</u> | <u>2011-2012<br/>Budget</u> | <u>Adjustments</u> | <u>2013-2014<br/>Budget</u> |
|-----------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Nondepartmental | 0.00                        | 0.00               | 0.00                        | 0.00               | 0.00                        |
| <b>TOTAL</b>    | 0.00                        | 0.00               | 0.00                        | 0.00               | 0.00                        |

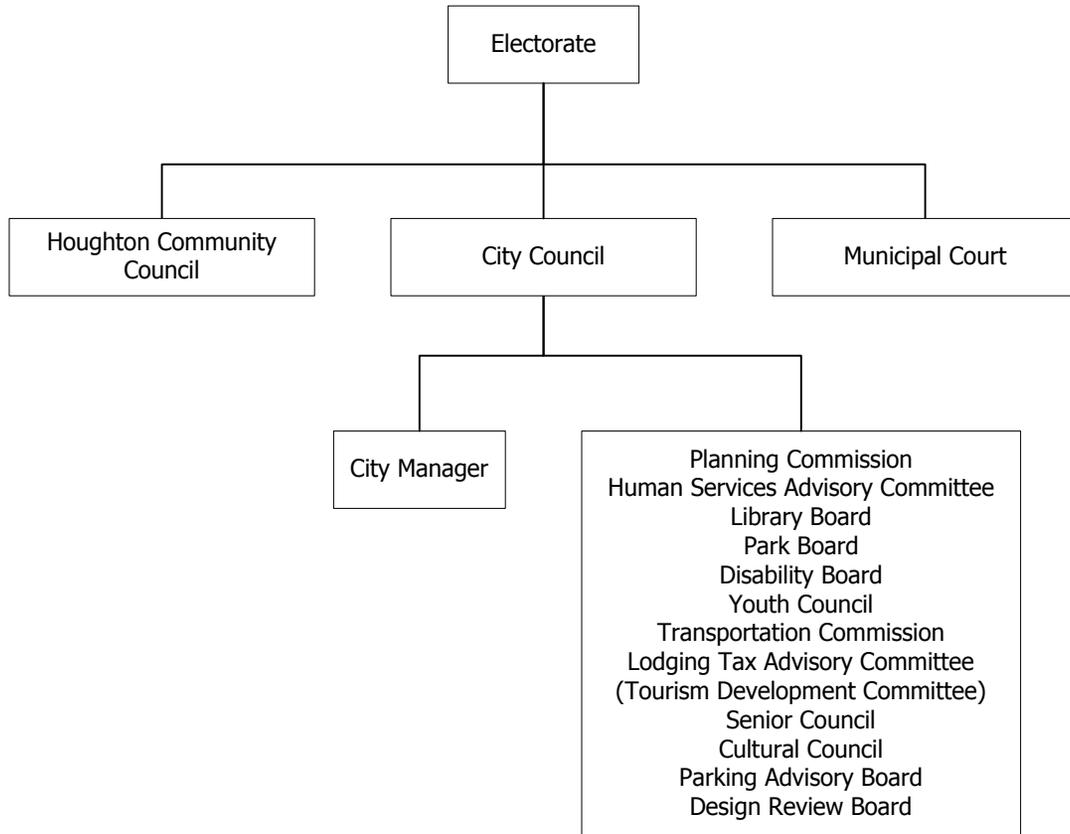
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**CITY COUNCIL**



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# CITY OF KIRKLAND City Council





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**DEPARTMENT OVERVIEW*****CITY COUNCIL*****MISSION**

The City Council's responsibility is to provide general policy direction for the overall management of the City of Kirkland.

**DEPARTMENT FUNCTIONS**

The primary responsibility of the City Council is to fulfill the legislative function, and to thereby determine the general direction and policies for the operation of the City, including local laws, allocation of resources, and determination of service levels.

**RELATIONSHIP TO COUNCIL GOALS**

In 2009, the Council established ten service areas, value statements and goals. Service areas are identified as priorities by the City Council and through the biennial community survey. The Council reviews and reaffirms the goals annually to ensure they continue to speak to the needs of and input from the community, as well as changes in the external environment and community demographics. The goals help the Council achieve its mission of providing general policy direction for the overall management of the City of Kirkland, moving Kirkland toward its vision.

The City's ability to make progress towards their achievement is based on the availability of resources at any given time. Implicit in the allocation of resources is the need to balance levels of taxation and community impacts with service demands and the achievement of goals.

**Council Goals:****Neighborhoods**

Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

**Public Safety**

Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.

**Human Services**

To support a regional coordinated system of human services designed to meet the basic needs of our community and remove barriers to opportunity.

**Balanced Transportation**

To reduce reliance on single occupancy vehicles and improve connectivity and multi-modal mobility in Kirkland in ways that maintain and enhance travel times, safety, health and transportation choices.

**Parks, Open Spaces and Recreational Services**

To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well-being of the community.

**Housing**

To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs.

**Financial Stability**

Provide a sustainable level of core services that are funded from predictable revenue.

**Environment**

To protect and enhance our natural environment for current residents and future generations.

**Economic Development**

To attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.

**Dependable Infrastructure**

To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

|                          |
|--------------------------|
| <b>BUDGET HIGHLIGHTS</b> |
|--------------------------|

**2013-2014 Reductions**

- Adjust projected dues for City membership in the Suburban Cities Association and the Puget Sound Regional Council to reflect the post-annexation population.

**2013-2014 Additions**

- Increase Council training and travel to provide for Council to actively engage in the National League of Cities and Association of Washington Cities conferences and legislative activities to help achieve adopted goals, particularly in the areas of dependable infrastructure, economic development and balanced transportation.

**2013 - 2014 FINANCIAL OVERVIEW**

***CITY COUNCIL***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 190,172                     | 186,908                       | 188,184                     | 185,520                     | -1.42%                    |
| Benefits            | 74,641                      | 76,616                        | 85,121                      | 85,884                      | 0.90%                     |
| Supplies            | 2,454                       | 2,201                         | 3,500                       | 3,500                       | 0.00%                     |
| Other Services      | 422,016                     | 431,342                       | 501,021                     | 536,522                     | 7.09%                     |
| Government Services | -                           | -                             | -                           | -                           | n/a                       |
| Capital Outlay      | -                           | -                             | -                           | -                           | n/a                       |
| <b>TOTAL</b>        | 689,283                     | 697,067                       | 777,826                     | 811,426                     | 4.32%                     |

**FINANCIAL SUMMARY BY DIVISION**

|              | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|--------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| City Council | 689,283                     | 697,067                       | 777,826                     | 811,426                     | 4.32%                     |
| <b>TOTAL</b> | 689,283                     | 697,067                       | 777,826                     | 811,426                     | 4.32%                     |

**POSITION SUMMARY BY DIVISION**

|              | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|--------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| City Council | 7.00                        | 0.00               | 7.00                        | 0.00               | 7.00                        |
| <b>TOTAL</b> | 7.00                        | 0.00               | 7.00                        | 0.00               | 7.00                        |

2013-2014 POSITION SUMMARY

***CITY COUNCIL***

**POSITION SUMMARY BY CLASSIFICATION**

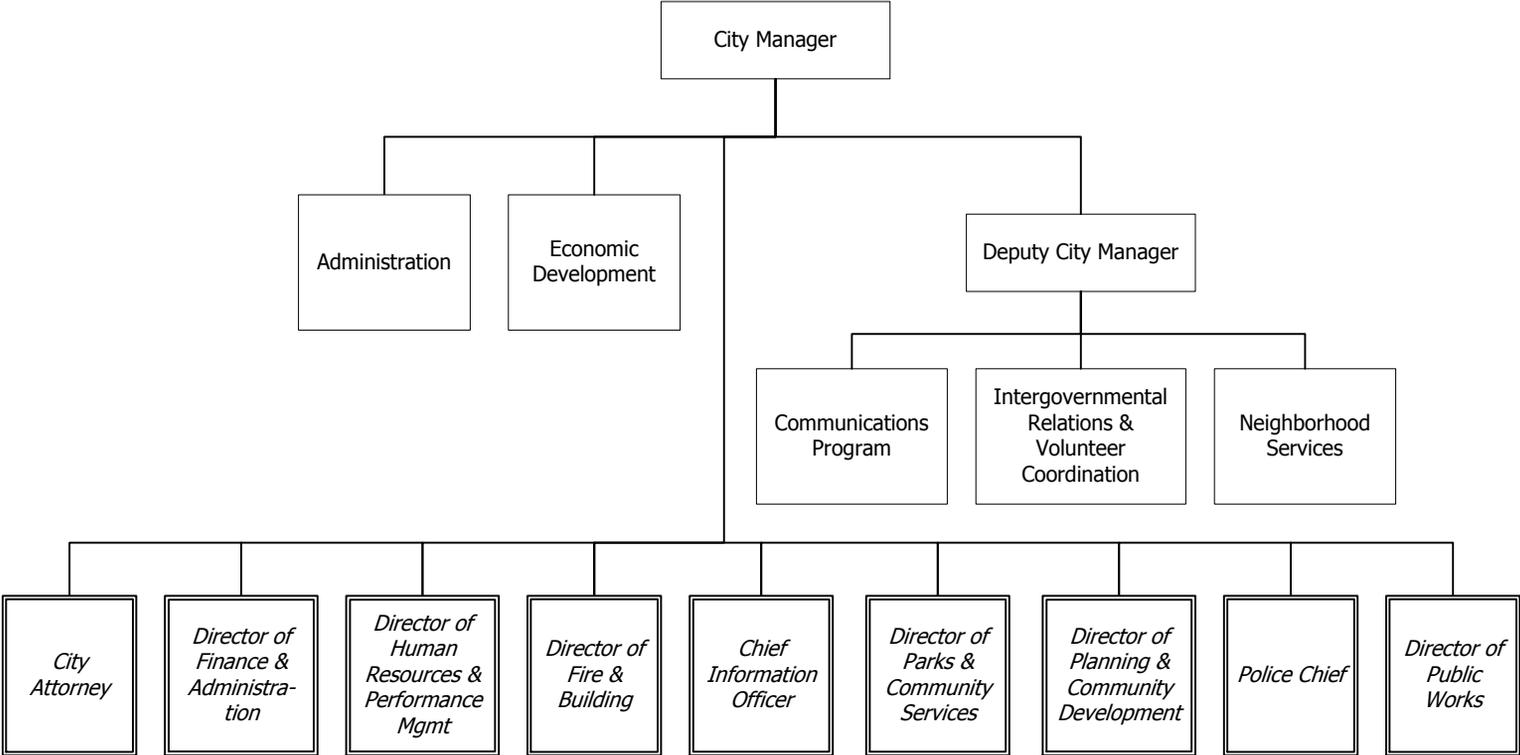
| <u>Classification</u> | <u>2011-2012<br/>Positions</u> | <u>Budget<br/>Reductions</u> | <u>Service<br/>Packages</u> | <u>2013-2014<br/>Positions</u> | <u>Budgeted 2013<br/>Salary Range</u> |
|-----------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Mayor                 | 1.00                           |                              |                             | 1.00                           | 16,224                                |
| Councilperson         | 6.00                           |                              |                             | 6.00                           | 12,756                                |
| <b>TOTAL</b>          | 7.00                           | 0.00                         | 0.00                        | 7.00                           |                                       |

**CITY MANAGER**



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# CITY OF KIRKLAND City Manager's Office



*Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate department and/or operating fund.*



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## DEPARTMENT OVERVIEW

# ***CITY MANAGER'S OFFICE***

## MISSION

The mission of the City Manager's Office is to serve as the professional administrator of the City by effectively implementing the City Council's policies and coordinating day-to-day operations, administration, and communications.

## DEPARTMENT FUNCTIONS

The **City Manager's Office** implements the City Council's policies by overseeing the management of City departments, administering personnel and labor relations, the City budget, and the day-to-day operations of the City. The City Manager serves as the chief advisor to the City Council and is appointed by, and serves at the pleasure of, the City Council. The City Manager proposes an annual City work program to the City Council that implements priority goals.

The **Economic Development Manager** provides business recruitment and retention services and manages the City's tourism and cultural arts programs.

The **Intergovernmental Relations Manager** supports the City Council's legislative agenda and coordinates with other governmental bodies on regional initiatives and partnerships.

The **Communications Program Manager** supports the City Council and City departments in providing effective and timely communications about City issues and events and designs and delivers public involvement strategies for City departments.

The **Neighborhood Outreach Coordinator** serves as the City's liaison between the City Council and City departments and the thirteen neighborhood associations. This position also designs and delivers public involvement and information services.

The **Special Projects** Coordinator manages the City's volunteer program and supports tourism and cultural arts programs.

## RELATIONSHIP TO COUNCIL GOALS

### Neighborhoods

- Continue to support neighborhood associations through coordination with City Departments, management of neighborhood association matching grants and coordination of City Council meetings in the neighborhoods.
- Provide leadership on development services and planning program review to insure services are provided efficiently and effectively to serve both neighborhoods and businesses.

### Public Safety

- Coordinate with the Fire Chief in the implementation of the Fire Strategic Plan and coordinate a Police Strategic Plan in 2014.
- Serve on NORCOM and EOSCA executive boards representing Kirkland's interests.
- Provide oversight of the Public Safety Building implementation.

### Human Services

- Continue coordinating neighborhood food drive.
- Serve on the ARCH Executive Board, currently as chair.

### **Parks, Open Spaces and Recreational Services**

- Provide leadership for the development of the Cross Kirkland Corridor.
- Oversee the implementation of the Parks Levy if approved by voters.

### **Balanced Transportation**

- Provide leadership for the development of the Cross Kirkland Corridor.
- Provide leadership for expansion of concurrency and impact fees to include non-motorized investments that increase capacity.

### **Financial Stability**

- **Prepare and present a balanced budget that reflects the City Council's adopted fiscal policies, responds to the community's service priorities and implements the City Council goals.**
- Provide leadership in the negotiation of labor agreements that provide equitable compensation within a sustainable framework.
- Provide leadership to improve health benefits programs to reduce benefit costs while improving employee health.

### **Economic Development**

- Continue to support revitalization and development of the Totem Lake business district and Park Place.
- Facilitate the recruitment of new businesses and support the growth and expansion of existing businesses.
- Provide cost efficient support for the Cultural Arts Commission.

### **Dependable Infrastructure**

- Oversee the implementation of the roads levy if approved by voters.

|                          |
|--------------------------|
| <b>BUDGET HIGHLIGHTS</b> |
|--------------------------|

### **2013-2014 Reductions and Efficiencies**

- Reprioritize economic development resources to higher priority tasks by changing the Kirkland First model to function as a listserv and discontinuing the quarterly dashboard report for the Business Roundtable.
- Eliminate the vacant 0.5 FTE Neighborhood Outreach Coordinator.

### **2013-2014 Additions**

- Provide funding for Cultural Arts Commission support - \$30,000
- Provide for transition of key administrative staff - \$8,684
- Provide one-time funding for:
  - Conducting a market study of the Totem Lake Business District in support of the Comprehensive Plan Update - \$25,000
  - **Continuing contract for legislative advocacy services in support of the City Council's legislative priorities - \$96,000**
  - Coordinate the development of a strategic plan for the Police Department - \$100,000

**2013 - 2014 FINANCIAL OVERVIEW**

***CITY MANAGER***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 1,831,968                   | 1,895,956                     | 1,890,635                   | 1,903,425                   | 0.68%                     |
| Benefits            | 526,490                     | 618,597                       | 661,957                     | 670,143                     | 1.24%                     |
| Supplies            | 16,011                      | 27,110                        | 26,692                      | 24,400                      | -8.59%                    |
| Other Services      | 719,481                     | 815,422                       | 899,491                     | 867,709                     | -3.53%                    |
| Government Services | -                           | 60                            | -                           | -                           | n/a                       |
| Capital Outlay      | -                           | -                             | -                           | -                           | n/a                       |
| <b>TOTAL</b>        | <b>3,093,950</b>            | <b>3,357,145</b>              | <b>3,478,775</b>            | <b>3,465,677</b>            | <b>-0.38%</b>             |

**FINANCIAL SUMMARY BY DIVISION**

|              | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|--------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| City Manager | 3,093,950                   | 3,357,145                     | 3,478,775                   | 3,465,677                   | -0.38%                    |
| <b>TOTAL</b> | <b>3,093,950</b>            | <b>3,357,145</b>              | <b>3,478,775</b>            | <b>3,465,677</b>            | <b>-0.38%</b>             |

**POSITION SUMMARY BY DIVISION**

|              | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|--------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| City Manager | 8.40                        | 0.25               | 8.65                        | -0.40              | 8.25                        |
| <b>TOTAL</b> | <b>8.40</b>                 | <b>0.25</b>        | <b>8.65</b>                 | <b>-0.40</b>       | <b>8.25</b>                 |

**2013-2014 POSITION SUMMARY**

***CITY MANAGER***

**POSITION SUMMARY BY CLASSIFICATION**

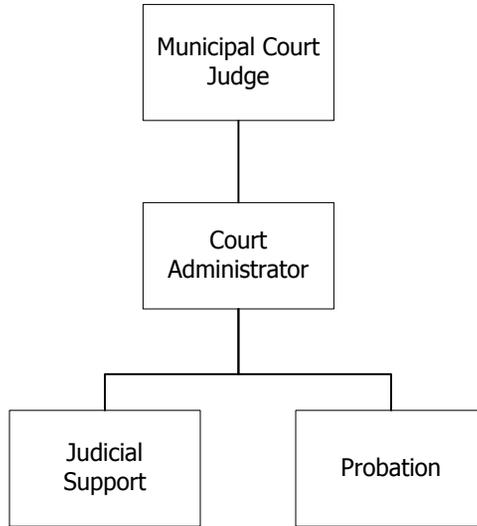
| <b>Classification</b>               | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|-------------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| City Manager                        | 1.00                           |                              |                             | 1.00                           | 14,863                                |
| Deputy City Manager                 | 1.00                           |                              |                             | 1.00                           | 9,811 - 12,660                        |
| Economic Development Manager        | 0.85                           |                              |                             | 0.85                           | 7,907 - 10,204                        |
| Intergovernmental Relations Manager | 1.00                           |                              |                             | 1.00                           | 6,837 - 8,822                         |
| Communications Program Manager      | 1.00                           |                              |                             | 1.00                           | 6,981 - 8,213                         |
| Neighborhood Outreach Coordinator   | 1.50                           | (0.40)                       |                             | 1.10                           | 6,065 - 7,135                         |
| Special Projects Coordinator        | 0.50                           |                              |                             | 0.50                           | 5,751 - 6,767                         |
| Executive Assistant I               | 1.00                           |                              |                             | 1.00                           | 4,638 - 5,984                         |
| Administrative Assistant            | 0.80                           |                              |                             | 0.80                           | 4,534 - 5,333                         |
| <b>TOTAL</b>                        | 8.65                           | (0.40)                       | 0.00                        | 8.25                           |                                       |

**MUNICIPAL COURT**



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# CITY OF KIRKLAND Municipal Court



## DEPARTMENT OVERVIEW

# ***MUNICIPAL COURT***

## MISSION

The **Municipal Court's** mission is to establish and maintain public trust and confidence in the judicial system. The Court proudly serves the citizens of Kirkland and the general public by providing access to justice and ensuring that all individuals are afforded due process of law as recognized by the Constitution of the United States and the State of Washington.

**It is the municipal court's mission to continually seek** excellence in providing fair, accessible, and timely resolution of alleged violations of the law in an atmosphere of respect for all parties, including members of the public, defendants, lawyers, witnesses, jurors and all Court and City employees.

The Municipal Court is a contributing partner of the City of Kirkland, working toward a safe and vital community.

## DEPARTMENT FUNCTIONS

The **Municipal Court** is a court of limited jurisdiction and an independent branch of government which is authorized by the laws of the State of Washington to preside over all criminal misdemeanors and gross misdemeanors, as well as traffic, non-traffic and parking infractions, and select civil matters occurring within the city limits of Kirkland. All cases filed are processed in accordance with court rules and the laws of the State of Washington, under the direction of the presiding judge.

## RELATIONSHIP TO COUNCIL GOALS

### **Public Safety**

- Provide fair, accessible, and timely resolution of alleged violations of the law in an atmosphere of respect for all parties, including members of the public, defendants, lawyers, witnesses, jurors and all Court and City employees.

## BUDGET HIGHLIGHTS

### **2013-2014 Reductions and Efficiencies**

- The Court and Police Department budgets were based on the assumption that the new neighborhoods would generate an additional 26,000 dispatched calls for service, which would generate a proportionate increase in court cases. In reality, the calls for service increased about 10,500. The following recalibrations are recommended as a result:
  - Reduce second 1.0 FTE Judicial position and 2.5 FTE Judicial Support Associates and related costs at the Municipal Court - \$723,035
  - Created efficiencies by installing a new probation case management system to track compliance and monitor defendants placed on supervised probation
  - Created efficiencies by working with the Administrative Office of the Courts to implement a system to automatically download electronic vehicle related violations into the courts case management system (JIS)

### **2013-2014 Additions**

- Provide one-time funding to maintain Court Security using Kirkland Police Department Corrections staff to provide a uniformed presence in the courtroom during court calendars - \$86,076.

**2013 - 2014 FINANCIAL OVERVIEW**

***MUNICIPAL COURT***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 1,682,748                   | 1,993,533                     | 2,427,151                   | 2,312,579                   | -4.72%                    |
| Benefits            | 584,100                     | 843,265                       | 1,133,120                   | 1,139,051                   | 0.52%                     |
| Supplies            | 13,272                      | 32,042                        | 48,200                      | 15,000                      | -68.88%                   |
| Other Services      | 795,104                     | 1,019,226                     | 988,956                     | 1,075,690                   | 8.77%                     |
| Government Services | -                           | -                             | -                           | -                           | n/a                       |
| Capital Outlay      | -                           | -                             | -                           | -                           | n/a                       |
| <b>TOTAL</b>        | <b>3,075,224</b>            | <b>3,888,066</b>              | <b>4,597,427</b>            | <b>4,542,320</b>            | <b>-1.20%</b>             |

**FINANCIAL SUMMARY BY DIVISION**

|                 | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|-----------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Municipal Court | 3,075,224                   | 3,888,066                     | 4,597,427                   | 4,542,320                   | -1.20%                    |
| <b>TOTAL</b>    | <b>3,075,224</b>            | <b>3,888,066</b>              | <b>4,597,427</b>            | <b>4,542,320</b>            | <b>-1.20%</b>             |

**POSITION SUMMARY BY DIVISION**

|                 | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|-----------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Municipal Court | 13.50                       | 8.75               | 22.25                       | -3.50              | 18.75                       |
| <b>TOTAL</b>    | <b>13.50</b>                | <b>8.75</b>        | <b>22.25</b>                | <b>-3.50</b>       | <b>18.75</b>                |

**2013-2014 POSITION SUMMARY**

***MUNICIPAL COURT***

**POSITION SUMMARY BY CLASSIFICATION**

| <b>Classification</b>           | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|---------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Municipal Court Judge           | 2.00                           | (1.00)                       |                             | 1.00                           | 11,219                                |
| Court Administrator             | 1.00                           |                              |                             | 1.00                           | 6,291 - 8,118                         |
| Probation Supervisor            | 1.00                           |                              |                             | 1.00                           | 5,182 - 6,687*                        |
| Judicial Support Supervisor     | 1.00                           |                              |                             | 1.00                           | 4,660 - 6,012                         |
| Probation Officer               | 2.00                           |                              |                             | 2.00                           | 4,918 - 5,785                         |
| Judicial Support Associate Lead | 1.00                           |                              |                             | 1.00                           | 4,405 - 5,183                         |
| Judicial Support Associate II   | 12.25                          | (2.50)                       |                             | 9.75                           | 3,709 - 4,363                         |
| Judicial Support Associate I    | 2.00                           |                              |                             | 2.00                           | 3,314 - 3,899                         |
| <b>TOTAL</b>                    | 22.25                          | (3.50)                       | 0.00                        | 18.75                          |                                       |

\*Salary range for new position is estimate only

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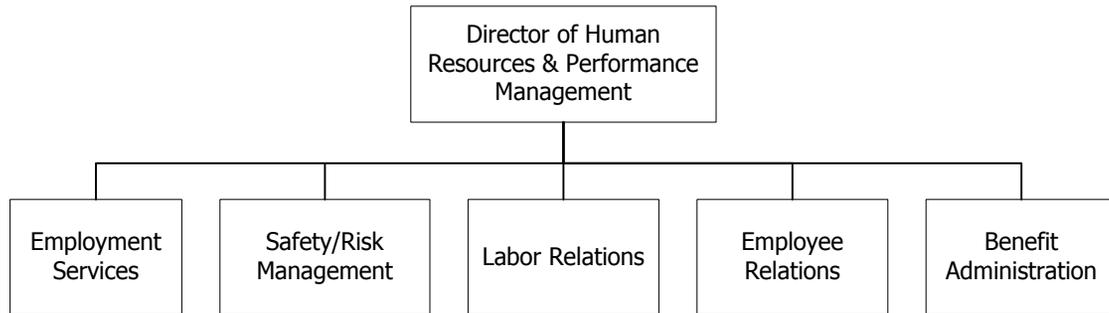
# HUMAN RESOURCES



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# CITY OF KIRKLAND

## Human Resources Department



## DEPARTMENT OVERVIEW

# ***HUMAN RESOURCES***

## MISSION

To build, develop and retain a high performing 21<sup>st</sup> Century workforce whose work advances the mission, vision and values of the City of Kirkland.

## DEPARTMENT FUNCTIONS

**Human Resources** is responsible for the successful design and implementation of the following functions: recruitment, training, employee relations, labor relations, compensation, benefit administration, risk management, workers compensation and performance management.

## RELATIONSHIP TO COUNCIL GOALS

### **Financial Stability**

- Develop equitable and sustainable total compensation packages through negotiated labor contracts and market research analysis.
- Successfully implement and manage the self-funded health benefits program.
- Attract and retain high performing employees.
- Reduce overall department operating budget by introducing cost effective efficiencies for the **City's recruitment, wellness, diversity and service recognition programs.**
- Efficiently administer **the City's liability**, property and auto/physical insurance and workers compensation programs to reduce assessment fees.
- **Build strong relationships with all labor union representatives to partner participation in the City's** benefits committee and joint labor management committee.
- Act as strategic business partner for the organization through development of a performance management system.

## BUDGET HIGHLIGHTS

### **2013-2014 Reductions and Efficiencies**

- Reclassify a vacant Human Resources Analyst position to an HR Assistant - \$51,503.
- Realize day to day efficiencies to include reusing selected supplies, two-sided printing and electronic file copies.
- Provide ongoing twenty-four hour on-line recruiting strategies.
- Achieve benefit and wage cost containment through self-funding health plans and negotiated labor contracts.
- Involve employees in developing a health benefit plan design that promotes health and well-being and appropriate use of the health care system.
- Continue to focus on cost effective internet tools and networking.
- Decrease advertising based on new internet strategies and less printed ads - \$8,000.

### **2013-2014 Additions**

- Provide one-time funding to support performance management system - \$50,000.
- Increase Employee Assistance Program Services by \$4,096 and the Public Safety Testing quarterly subscription by \$3,000.
- Increase training to provide management and supervisory training - \$7,000.

**2013 - 2014 FINANCIAL OVERVIEW**

***HUMAN RESOURCES***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 1,214,440                   | 1,416,166                     | 1,439,169                   | 1,436,044                   | -0.22%                    |
| Benefits            | 366,976                     | 544,083                       | 565,986                     | 596,410                     | 5.38%                     |
| Supplies            | 18,686                      | 20,943                        | 28,863                      | 22,940                      | -20.52%                   |
| Other Services      | 415,913                     | 488,255                       | 508,188                     | 491,005                     | -3.38%                    |
| Government Services | -                           | -                             | -                           | -                           | n/a                       |
| Capital Outlay      | -                           | -                             | -                           | -                           | n/a                       |
| <b>TOTAL</b>        | 2,016,015                   | 2,469,447                     | 2,542,206                   | 2,546,399                   | 0.16%                     |

**FINANCIAL SUMMARY BY DIVISION**

|                 | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|-----------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Human Resources | 2,016,015                   | 2,469,447                     | 2,542,206                   | 2,546,399                   | 0.16%                     |
| <b>TOTAL</b>    | 2,016,015                   | 2,469,447                     | 2,542,206                   | 2,546,399                   | 0.16%                     |

**POSITION SUMMARY BY DIVISION**

|                 | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|-----------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Human Resources | 8.10                        | 0.60               | 8.70                        | 0.00               | 8.70                        |
| <b>TOTAL</b>    | 8.10                        | 0.60               | 8.70                        | 0.00               | 8.70                        |

**2013-2014 POSITION SUMMARY**

***HUMAN RESOURCES***

**POSITION SUMMARY BY CLASSIFICATION**

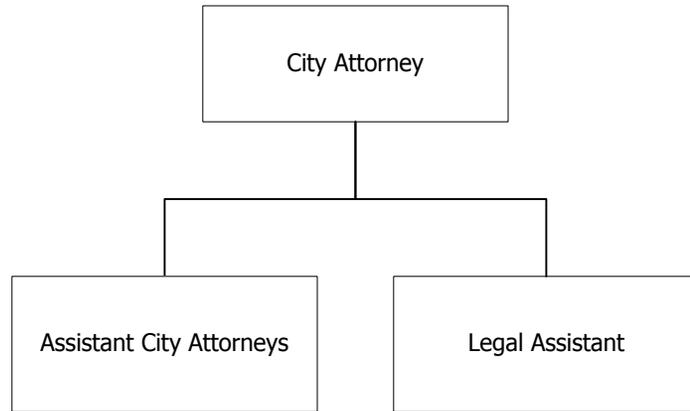
| <b>Classification</b>          | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|--------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Director                       | 1.00                           |                              |                             | 1.00                           | 9,143 - 11,798                        |
| Senior Human Resources Analyst | 1.70                           |                              |                             | 1.70                           | 5,638 - 7,273                         |
| Human Resources Analyst        | 4.00                           | (1.00)                       |                             | 3.00                           | 4,975 - 6,421                         |
| Safety/Risk Management Analyst | 1.00                           |                              |                             | 1.00                           | 4,975 - 6,421                         |
| Human Resources Coordinator    | 1.00                           |                              |                             | 1.00                           | 4,346 - 5,608                         |
| Human Resources Assistant      | 0.00                           | 1.00                         |                             | 1.00                           | 4,007 - 5,170                         |
| <b>TOTAL</b>                   | 8.70                           | 0.00                         | 0.00                        | 8.70                           |                                       |

CITY ATTORNEY



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**CITY OF KIRKLAND  
City Attorney's Office**



**DEPARTMENT OVERVIEW*****CITY ATTORNEY*****MISSION**

The City Attorney's Office mission is to provide outstanding, timely, and cost effective legal counsel and representation for the City. The objective of this department is to provide sound and practical legal support to City officials and staff to help them achieve the City Council Goals.

**DEPARTMENT FUNCTIONS**

The **City Attorney's Office** is the in-house law firm for the City. The City Attorney's Office works closely with the City Council, City Manager, and City departments. Reliance on outside counsel is limited to those instances where specialized expertise is needed or it is more efficient or cost-effective to outsource. In those instances where the City contracts with outside counsel for special legal services, the City Attorney's Office manages and coordinates these services.

The City Attorney's Office also contracts with a local law firm to serve as "City Prosecutor" for the prosecution of misdemeanors in Kirkland Municipal Court.

**RELATIONSHIP TO COUNCIL GOALS****Public Safety**

- The enforcement of state and local laws through the prosecution of misdemeanors in Kirkland Municipal Court furthers the Council Goals for Public Safety and Neighborhoods.

**Financial Stability and Neighborhoods**

- Support City staff in carrying out City Council Goal's, not only by giving sound legal advice, but by assisting in formulating solutions.

**BUDGET HIGHLIGHTS****2013-2014 Reductions and Efficiencies**

- Reduced costs by relying less on outside counsel.
- Created efficiencies by working with Information Technology and Finance Department to write a request for proposals and select a vendor to assist with responses to complex litigation and public disclosure requests.

**2013 - 2014 FINANCIAL OVERVIEW**

***CITY ATTORNEY***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 859,159                     | 869,854                       | 871,552                     | 881,666                     | 1.16%                     |
| Benefits            | 256,358                     | 284,135                       | 299,318                     | 315,662                     | 5.46%                     |
| Supplies            | 15,830                      | 5,540                         | 12,000                      | 12,000                      | 0.00%                     |
| Other Services      | 855,055                     | 1,312,123                     | 1,345,003                   | 1,520,655                   | 13.06%                    |
| Government Services | -                           | -                             | -                           | -                           | n/a                       |
| Capital Outlay      | -                           | -                             | -                           | -                           | n/a                       |
| <b>TOTAL</b>        | 1,986,402                   | 2,471,652                     | 2,527,873                   | 2,729,983                   | 8.00%                     |

**FINANCIAL SUMMARY BY DIVISION**

|               | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| City Attorney | 1,986,402                   | 2,471,652                     | 2,527,873                   | 2,729,983                   | 8.00%                     |
| <b>TOTAL</b>  | 1,986,402                   | 2,471,652                     | 2,527,873                   | 2,729,983                   | 8.00%                     |

**POSITION SUMMARY BY DIVISION**

|               | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|---------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| City Attorney | 4.00                        | 0.00               | 4.00                        | 0.00               | 4.00                        |
| <b>TOTAL</b>  | 4.00                        | 0.00               | 4.00                        | 0.00               | 4.00                        |

2013-2014 POSITION SUMMARY

***CITY ATTORNEY***

**POSITION SUMMARY BY CLASSIFICATION**

| <b>Classification</b>   | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|-------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| City Attorney           | 1.00                           |                              |                             | 1.00                           | 9,342 - 12,054                        |
| Assistant City Attorney | 2.00                           |                              |                             | 2.00                           | 7,468 - 9,637                         |
| Legal Assistant         | 1.00                           |                              |                             | 1.00                           | 4,191 - 5,408                         |
| <b>TOTAL</b>            | 4.00                           | 0.00                         | 0.00                        | 4.00                           |                                       |

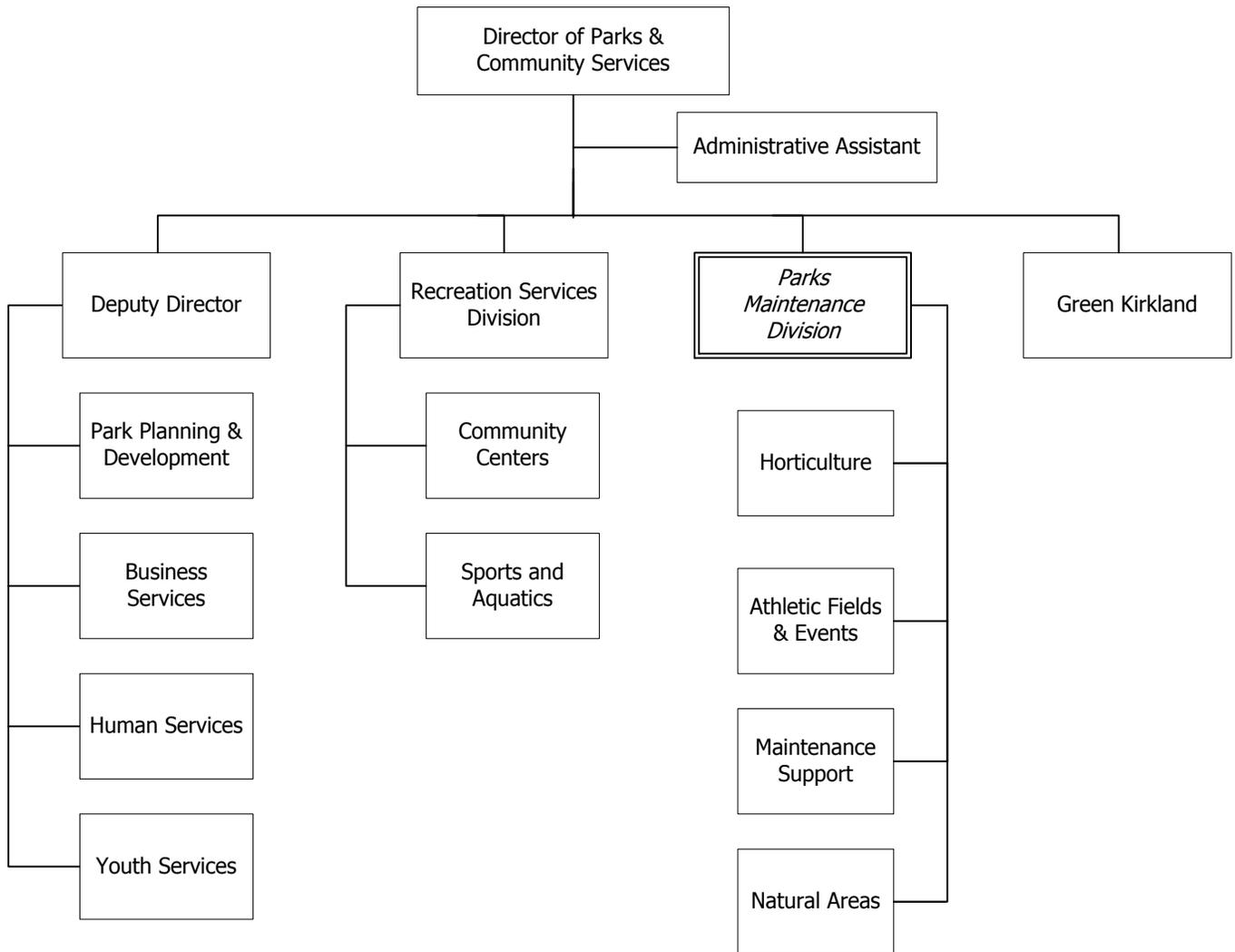
# PARKS & COMMUNITY SERVICES



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# CITY OF KIRKLAND

## Parks & Community Services Department



*Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.*



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## DEPARTMENT OVERVIEW

# ***PARKS & COMMUNITY SERVICES***

## MISSION

To support a healthy and sustainable community by providing high quality parks and recreation services, ensuring a collaborative community response to basic human needs, and protecting our natural areas.

## DEPARTMENT FUNCTIONS

The **Administration Division** handles all of the basic policy planning, budget preparation and tracking, and provides staff support to the Park Board. It is responsible for park master planning, facility design, land acquisition, capital projects, grant preparation and long-range strategic policy planning for Parks.

The division oversees implementation of the City's 20-year forest restoration plan, including the Green Kirkland Partnership and is responsible for the business services functions of the Department such as partnerships, sponsorships, vendor concessions, marina business operation, and marketing.

The **Community Services Division** is responsible for Youth and Human Services programs, which includes providing staff support to the Youth Council, the Human Services Advisory Committee, and the Senior Council. The Youth Council provides an opportunity for youth to be involved in their community. The Human Services Advisory Committee works with agencies in the delivery of crisis intervention, stabilization, and prevention services for various human service needs. The Senior Council mission is to maintain and improve the quality of life for Kirkland residents age 50+ by identifying their concerns, advocating for their needs, and creating programs that advance their well-being.

The **Parks Maintenance Division** is responsible for grounds and structural maintenance of 45 parks totaling over 550 acres. In addition, this division maintains the City Cemetery, public art, Heritage Hall and the grounds of the Kirkland Performance Center, Peter Kirk Community Center, Teen Union Building, and Library. This division is also responsible for maintenance and repairs of the swimming pool, docks, moorage, ball fields, boat launch, and other repair and construction projects. The division administers the City-School Partnership program, donations program, parks volunteer program, and scheduling functions of all park space and various property management functions.

The **Recreation Services Division** provides comprehensive programs that include year-round recreation opportunities, special events, enrichment programs, and specialized recreation. The division is responsible for programming and operation of the North Kirkland and Peter Kirk Community Centers, the Peter Kirk Pool and Waverly and Houghton Beaches. The division also coordinates community recreation programs at Lake Washington School district facilities through an interlocal Facility Use Agreement, and is the City liaison with Bellevue's Highland Center for Specialized Recreation.

## RELATIONSHIP TO COUNCIL GOALS

### Neighborhoods

- Complete improvements to Spinney Homestead Park (Highlands Neighborhood) and Terrace Park (Lakeview Neighborhood).
- Complete update to Comprehensive Park, Recreation, and Open Space (PROS) Plan.

### Public Safety

- Provide effective learn-to-swim programs at Peter Kirk Pool.
- Provide lifeguards at Waverly and Houghton Beaches.
- Enhance park safety through thoughtful design and proactive facility management including Crime Prevention Through Environmental Design (CPTED) principles.

## **Human Services**

- Continue to support the human services delivery system by continuing current funding levels and providing support, technical assistance, and legislative advocacy.
- Enhance programs and increase community involvement and support for Kirkland Teen Union Building.

## **Balanced Transportation**

- Participate in the master planning process for Cross Kirkland Corridor and support both interim and permanent trail development.

## **Parks, Open Spaces And Recreational Services**

- Offer quality comprehensive recreation programs that meet the needs of Kirkland residents and encourage active living to increase health and well being.
- Engage the community in evaluating and re-assessing the Indoor Recreation Facility Plan.
- Continue partnership with Lake Washington School District to maximize the use of school facilities to support community recreation.
- Complete trail improvements at Forbes Lake Park.
- Support efforts of Youth Council and Senior Council to improve health and well-being of their respective constituents.

## **Housing**

- Represent City's interests in the distribution of federal Community Development Block Grant (CDBG) within east King County for low-income housing, affordable housing, and homelessness programs.
- Participate in regional planning activities such as the Committee to End Homelessness.

## **Financial Stability**

- Expand and continue to build on the success of park concessions and Juanita Friday Farmer's Market.

## **Environment**

- Ensure successful stewardship of existing Green Kirkland Partnership program sites.
- Acquire valuable wetlands and open space in the City as resources allow.

## **Economic Development**

- Complete a master plan for Totem Lake Park.
- Provide effective, customer-centered permitting services for community special events.

## **Dependable Infrastructure**

- Complete an updated six-year Park, Recreation, and Open Space (PROS) Plan.
- Complete a renovation plan for Waverly Beach Park.
- Complete field lighting efficiency improvements to Lee Johnson Field at Peter Kirk Park, facility improvements to Heritage Hall, field renovation plan for 132<sup>nd</sup> Square Park and design for replacement of the restroom/storage facility at Everest Park.

## **BUDGET HIGHLIGHTS**

### **2013-2014 Reductions and Efficiencies**

- Eliminate the 1.0 FTE Parks Business Services Manager position and redistribute responsibilities - \$257,421.

### **2013-2014 Additions**

- Continue one-time funding for the Kirkland Performance Center operations - \$68,000.
- Install an electronic pay station at the Marina Park boat launch to improve customer convenience and reducing the need for staff support - \$19,500.
- Continue and enhance the use of Real Estate Excise Tax (REET) revenue to support parks maintenance - \$299,928.
  - Add a Senior Groundsperson position one-time funded with REET
  - Open restrooms at neighborhood parks
  - Provide seasonal labor to care for the City Cemetery and parks amenities

**2013 - 2014 FINANCIAL OVERVIEW**

***PARKS & COMMUNITY SERVICES***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 5,623,844                   | 5,414,549                     | 5,485,890                   | 5,164,134                   | -5.87%                    |
| Benefits            | 1,957,720                   | 2,100,257                     | 2,207,507                   | 2,259,243                   | 2.34%                     |
| Supplies            | 460,293                     | 401,894                       | 458,228                     | 391,570                     | -14.55%                   |
| Other Services      | 5,487,364                   | 5,575,132                     | 6,255,257                   | 6,302,342                   | 0.75%                     |
| Government Services | 38,722                      | 307,011                       | 387,041                     | 36,380                      | -90.60%                   |
| Capital Outlay      | -                           | -                             | -                           | 16,500                      | n/a                       |
| <b>TOTAL</b>        | <b>13,567,943</b>           | <b>13,798,843</b>             | <b>14,793,923</b>           | <b>14,170,169</b>           | <b>-4.22%</b>             |

**FINANCIAL SUMMARY BY DIVISION**

|                      | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|----------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Administration       | 1,929,392                   | 1,839,959                     | 1,997,702                   | 1,583,958                   | -20.71%                   |
| Parks Maintenance    | 5,080,697                   | 5,579,040                     | 5,918,553                   | 5,691,698                   | -3.83%                    |
| Community Services   | 2,040,111                   | 1,904,796                     | 2,286,563                   | 2,342,370                   | 2.44%                     |
| Business Services    | 554,741                     | 641,422                       | 643,725                     | 426,225                     | -33.79%                   |
| Culture & Recreation | 3,963,002                   | 3,833,626                     | 3,947,380                   | 4,125,918                   | 4.52%                     |
| <b>TOTAL</b>         | <b>13,567,943</b>           | <b>13,798,843</b>             | <b>14,793,923</b>           | <b>14,170,169</b>           | <b>-4.22%</b>             |

**POSITION SUMMARY BY DIVISION**

|                      | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|----------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Administration       | 4.50                        | -1.50              | 3.00                        | 0.00               | 3.00                        |
| Parks Maintenance    | 17.50                       | -1.50              | 16.00                       | 0.00               | 16.00                       |
| Community Services   | 2.63                        | -0.63              | 2.00                        | 0.00               | 2.00                        |
| Business Services    | 1.75                        | 0.25               | 2.00                        | -1.00              | 1.00                        |
| Culture & Recreation | 6.65                        | 1.35               | 8.00                        | 0.00               | 8.00                        |
| <b>TOTAL</b>         | <b>33.03</b>                | <b>-2.03</b>       | <b>31.00</b>                | <b>-1.00</b>       | <b>30.00</b>                |

**2013-2014 POSITION SUMMARY**

***PARKS & COMMUNITY SERVICES***

**POSITION SUMMARY BY CLASSIFICATION**

| <b>Classification</b>              | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|------------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Director                           | 1.00                           |                              |                             | 1.00                           | 9,143 - 11,798                        |
| Deputy Director                    | 1.00                           |                              |                             | 1.00                           | 7,175 - 9,259                         |
| Parks Operations Manager           | 1.00                           |                              |                             | 1.00                           | 6,645 - 8,575                         |
| Recreation Manager                 | 1.00                           |                              |                             | 1.00                           | 6,068 - 7,829                         |
| Business Services Program Manager  | 1.00                           | (1.00)                       |                             | 0.00                           | 5,631 - 7,266                         |
| Special Projects Coordinator       | 1.00                           |                              |                             | 1.00                           | 5,751 - 6,767                         |
| Human Services Coordinator         | 1.00                           |                              |                             | 1.00                           | 5,721 - 6,730                         |
| Parks Maintenance Supervisor       | 1.00                           |                              |                             | 1.00                           | 5,178 - 6,682                         |
| Lead Groundsperson                 | 2.00                           |                              |                             | 2.00                           | 5,100 - 6,154                         |
| Recreation Coordinator             | 4.00                           |                              |                             | 4.00                           | 5,039 - 5,928                         |
| Youth Services Coordinator         | 1.00                           |                              |                             | 1.00                           | 4,839 - 5,693                         |
| Parks Coordinator                  | 1.00                           |                              |                             | 1.00                           | 4,758 - 5,597                         |
| Senior Groundsperson               | 7.00                           |                              |                             | 7.00                           | 4,279 - 5,527                         |
| Parks Administrative Assistant     | 1.00                           |                              |                             | 1.00                           | 4,534 - 5,333                         |
| Recreation Systems Administrator   | 1.00                           |                              |                             | 1.00                           | 4,100 - 4,824                         |
| Groundsperson                      | 3.50                           |                              |                             | 3.50                           | 3,368 - 4,632                         |
| Community Center Program Assistant | 1.00                           |                              |                             | 1.00                           | 3,932 - 4,625                         |
| Recreation Program Assistant       | 1.00                           |                              |                             | 1.00                           | 3,932 - 4,625                         |
| Accounts Associate                 | 0.50                           |                              |                             | 0.50                           | 3,834 - 4,511                         |
| <b>TOTAL</b>                       | 31.00                          | (1.00)                       | 0.00                        | 30.00                          |                                       |

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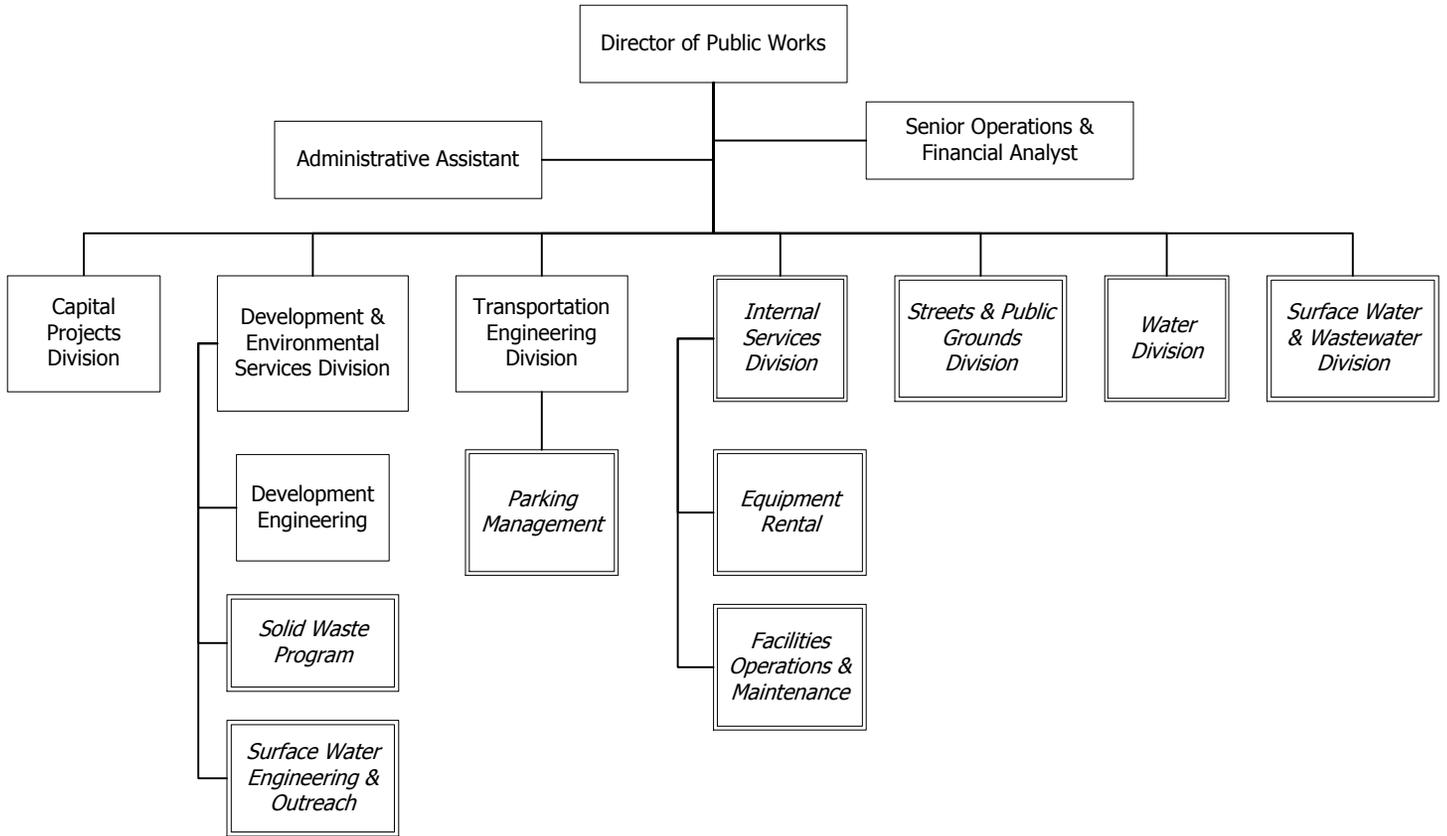
# PUBLIC WORKS



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# CITY OF KIRKLAND

## Public Works Department



*Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.*



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## DEPARTMENT OVERVIEW

# ***PUBLIC WORKS***

## MISSION

The Public Works Department is responsible for the overall planning, design, construction, and **stewardship of the City's infrastructure and natural resources to provide for the continued health, safety, and vibrancy of the Community.**

## DEPARTMENT FUNCTIONS

Public Works consists of two primary sections: Engineering & Programs and Operations & Maintenance. The sections work in close coordination and with the public and other agencies to ensure the effective development and on-going stewardship of public infrastructure including systems for water distribution and fire protection, wastewater collection, surface water management, the urban forest, both motorized and non-motorized transportation, solid waste disposal and recycling, public grounds maintenance, and City fleet and building/facility services. Public Works Administration provides overall administrative support and policy direction for the Public Works Department.

### Engineering & Programs Section

The **Capital Projects** Division manages the design and construction of publicly funded infrastructure projects for the City's water, wastewater, and surface water utilities, park capital construction, and transportation projects.

The **Development and Environmental Services** Division oversees transportation and utility infrastructure projects initiated by private development and franchise utilities, administers the solid waste disposal and recycle program, and provides surface water engineering and program administration.

The **Transportation Engineering** Division coordinates with other Divisions and Departments to plan, design, and operate **the City's multimodal transportation system, manages the Downtown parking management program, provides staff support for the Kirkland Transportation Commission and participates in regional transportation planning.**

### Operations & Maintenance Section

The **Internal Services** Division is made up of the Fleet Management, Facility Services, and operations and maintenance administration groups. Fleet Management provides for safe, cost effective, and reliable vehicles and equipment for all City Departments, while Facility Services operates and maintains all City buildings to be safe, resource efficient, and reliable.

The **Streets & Public Grounds** Division is responsible for the maintenance, operation, and repair of the City transportation system including pavement, shoulders, bike lanes, walkways, traffic signals, signage, illumination, parking, landscaping and roadside vegetation. Stewardship of the Public grounds of City buildings and the urban tree canopy located within the public rights of way also are under **the Division's** care.

The **Water Division** provides daily maintenance and repair activities and assists with the long term planning and efficient operation of the City's water storage and distribution system and their controls.

The **Surface Water and Wastewater** Division provides daily maintenance and repair activities and **assists with the long term planning and efficient operation of the City's surface and waste water systems.** Surface water components include the built system of inlets, pipes, and vaults and the natural system of

streams, ditches and waterbodies. The waste water components include collection pipes and manholes and the system of interconnected pumping facilities and their controls.

## **RELATIONSHIP TO COUNCIL GOALS**

### **Balanced Transportation**

- Support the Transportation Commission and City Council in updating the City's transportation concurrency system and road impact fees.
- Coordinate citywide staff in development of the Cross Kirkland Corridor.
- Implement Intelligent Transportation systems by installing and managing a traffic control center to improve mobility throughout the City of Kirkland.

### **Parks, Open Spaces and Recreational Services**

- Provide project management and outreach support for Parks Capital Improvement Program Projects.

### **Dependable Infrastructure**

- Implement the road levy if approved by the voters.
- Implement the 2013-2014 Capital Improvement Program.
- Provide inspection of right-of-way construction completed by private and public utilities to assure quality repairs to City streets.

## **BUDGET HIGHLIGHTS**

### **2013-2014 Reductions and Efficiencies**

- Reduce hourly administrative support and funding for operations and office supplies - \$65,015.

### **2013-2014 Additions**

- Reinstate 0.85 FTE Transportation Engineer responsible for providing transportation analysis for development including impact fee and concurrency, parking and SEPA review - \$186,620.
- Add 0.75 FTE Transportation Engineer to support the Citywide Intelligent Transportation System and the Traffic Control Center. Partial funding to be provided by offsetting reductions in other programs - \$178,874.
- Add 1.0 FTE Right of Way Construction Inspector to inspect franchise utility work occurring in the public right of way - \$236,566.

**2013 - 2014 FINANCIAL OVERVIEW**

***PUBLIC WORKS***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 4,246,323                   | 4,183,587                     | 4,508,170                   | 5,031,800                   | 11.62%                    |
| Benefits            | 1,375,738                   | 1,477,379                     | 1,686,495                   | 2,028,649                   | 20.29%                    |
| Supplies            | 50,003                      | 61,063                        | 80,808                      | 52,965                      | -34.46%                   |
| Other Services      | 919,090                     | 1,128,381                     | 1,440,380                   | 1,379,208                   | -4.25%                    |
| Government Services | 110,156                     | 91,034                        | 136,544                     | 600                         | n/a                       |
| Capital Outlay      | 17,108                      | -                             | -                           | -                           | n/a                       |
| <b>TOTAL</b>        | <b>6,718,418</b>            | <b>6,941,444</b>              | <b>7,852,397</b>            | <b>8,493,222</b>            | <b>8.16%</b>              |

**FINANCIAL SUMMARY BY DIVISION**

|                            | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|----------------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Engineering Policy & Prog. | 1,156,766                   | 1,241,663                     | 1,323,076                   | 1,319,002                   | -0.31%                    |
| Capital Proj. Engineering  | 2,450,994                   | 2,620,029                     | 3,182,283                   | 3,632,227                   | 14.14%                    |
| Development Engineering    | 1,983,525                   | 2,092,078                     | 2,162,300                   | 2,466,391                   | 14.06%                    |
| Transportation Engineering | 1,127,133                   | 987,674                       | 1,184,738                   | 1,075,602                   | -9.21%                    |
| <b>TOTAL</b>               | <b>6,718,418</b>            | <b>6,941,444</b>              | <b>7,852,397</b>            | <b>8,493,222</b>            | <b>8.16%</b>              |

**POSITION SUMMARY BY DIVISION**

|                            | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|----------------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Engineering Policy & Prog. | 3.05                        | 0.00               | 3.05                        | 0.00               | 3.05                        |
| Capital Proj. Engineering  | 10.50                       | 1.70               | 12.20                       | 1.00               | 13.20                       |
| Development Engineering    | 6.25                        | 1.70               | 7.95                        | 1.60               | 9.55                        |
| Transportation Engineering | 3.50                        | -1.35              | 2.15                        | 1.00               | 3.15                        |
| <b>TOTAL</b>               | <b>23.30</b>                | <b>2.05</b>        | <b>25.35</b>                | <b>3.60</b>        | <b>28.95</b>                |

**2013-2014 POSITION SUMMARY**

***PUBLIC WORKS***

**POSITION SUMMARY BY CLASSIFICATION**

| <b>Classification</b>               | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|-------------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Director                            | 1.00                           |                              |                             | 1.00                           | 9,342 - 12,054                        |
| Capital Projects Manager            | 1.00                           |                              |                             | 1.00                           | 7,787 - 10,047                        |
| Development Engineering Manager     | 0.65                           |                              |                             | 0.65                           | 7,787 - 10,047                        |
| Transportation Engineering Manager  | 1.00                           |                              |                             | 1.00                           | 7,309 - 9,432                         |
| Capital Projects Supervisor         | 1.00                           |                              |                             | 1.00                           | 6,771 - 8,738                         |
| Development Engineer Supervisor     | 1.00                           |                              |                             | 1.00                           | 6,581 - 8,491                         |
| Senior Project Engineer             | 2.00                           |                              |                             | 2.00                           | 7,044 - 8,342                         |
| Project Engineer                    | 5.70                           |                              | 1.00                        | 6.70                           | 6,447 - 7,584                         |
| Transportation Engineer             | 1.15                           |                              | 1.60                        | 2.75                           | 6,440 - 7,576                         |
| Development Engineer                | 1.00                           |                              |                             | 1.00                           | 6,091 - 7,165                         |
| Neighborhood Outreach Coordinator   | 0.50                           |                              |                             | 0.50                           | 6,065 - 7,135                         |
| Senior Construction Inspector       | 1.00                           |                              |                             | 1.00                           | 5,721 - 6,730                         |
| Senior Operations & Finance Analyst | 1.00                           |                              |                             | 1.00                           | 5,815 - 6,841                         |
| Senior Development Plans Examiner   | 1.00                           |                              |                             | 1.00                           | 5,789 - 6,811                         |
| Development Engineering Analyst     | 1.00                           |                              |                             | 1.00                           | 5,454 - 6,417                         |
| Construction Inspector              | 2.00                           |                              | 1.00                        | 3.00                           | 5,141 - 6,050                         |
| Administrative Assistant            | 1.00                           |                              |                             | 1.00                           | 4,534 - 5,333                         |
| Permit Technician                   | 1.30                           |                              |                             | 1.30                           | 4,300 - 5,058                         |
| Accounting Support Associate IV     | 0.05                           |                              |                             | 0.05                           | 4,107 - 4,832                         |
| Public Works Office Specialist      | 1.00                           |                              |                             | 1.00                           | 3,675 - 4,323                         |
| <b>TOTAL</b>                        | 25.35                          | 0.00                         | 3.60                        | 28.95                          |                                       |

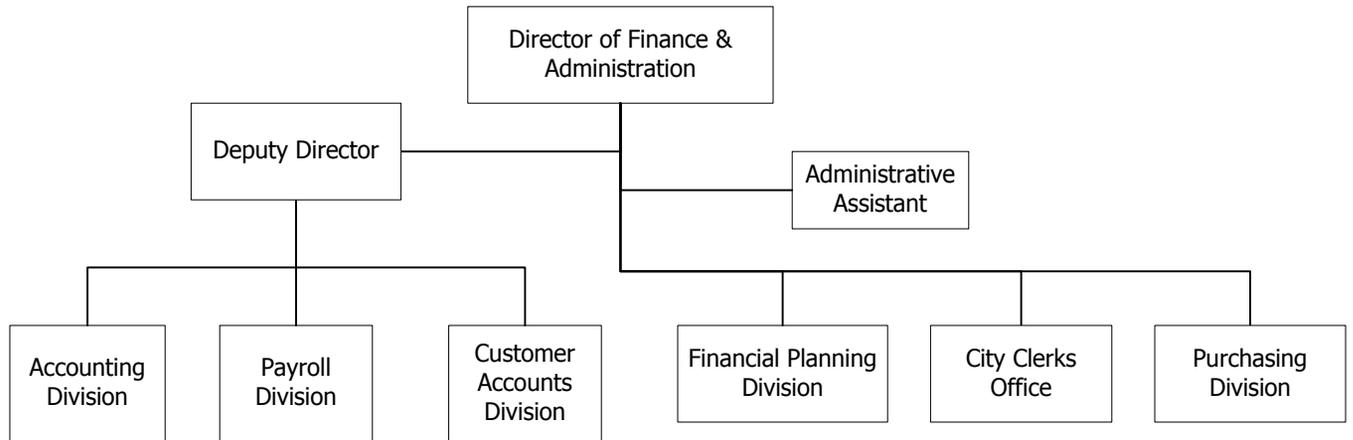
# FINANCE & ADMINISTRATION



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# CITY OF KIRKLAND

## Department of Finance & Administration





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## DEPARTMENT OVERVIEW

# ***FINANCE & ADMINISTRATION***

## MISSION

The Department of Finance and Administration is committed to excellence in the provision of financial services and records management. We work as a team to provide services and information to the public, the City Council, and our fellow employees that are timely, impartial, supportive, and consistent with professional standards, legal requirements, and Council policy.

## DEPARTMENT FUNCTIONS

The department provides **financial planning** services including coordination and preparation of the **City's Budget and Capital Improvement Program** and provision of financial planning and analysis support to other departments, the City Manager, and the City Council.

All day-to-day **financial operations** activities are managed by the department including: *Accounting* – fund and cost accounting, accounts payable and receivable, financial reporting, auditing, and maintenance of grant records; *Payroll* – semi-monthly payroll and health benefits processing and labor contract implementation; *Treasury* – cash and debt management; *Customer Accounts* – utility billing, regulatory licensing, passport application services, false alarm program and cemetery administration; and *Purchasing* – City-wide purchasing management and coordination.

The responsibilities within the **City Clerk's** office include public disclosure, legal notices, records management, service of process, City Council meeting support, advisory board recruitments, and mail services.

## RELATIONSHIP TO COUNCIL GOALS

### **Public Safety**

- Implement additional sinking funds for equipment needs of Public Safety and Information Technology.
- Manage funding for the Public Safety Building and consolidated fire station projects.

### **Balanced Transportation**

- Support implementation of tracking and financial reporting for the Proposition 1 Street Levy, if passed.

### **Parks, Open Spaces and Recreational Services**

- Support implementation of tracking and financial reporting for Proposition 2 Parks Levy, if passed.

### **Financial Stability**

- Put into practice the adopted fiscal policies, with particular focus on replenishing reserves, to help **preserve the City's strong credit rating and financial flexibility.**
- Present a 2013-2014 budget that demonstrates efficient, cost effective services.
- Anticipate potential issues and maintain internal controls throughout the City to support successful audits.

### **Environment**

- Support the implementation of utility rates to sustain the level of service and finance capital needs.

**Economic Development**

- Support analysis and negotiations regarding major redevelopment projects, such as Totem Lake and Park Place.
- Explore the feasibility of first-year deferral of per employee business license fees for selected new businesses and extend the suspension of charging impact fees for changes of use.
- Work towards on-line renewal of business licensing as a next phase of the Energov software implementation.

**Dependable Infrastructure**

- Coordinate Capital Improvement Program development and financing.
- Pursue external funds for development of the Cross Kirkland Corridor.

|                          |
|--------------------------|
| <b>BUDGET HIGHLIGHTS</b> |
|--------------------------|

**2013-2014 Reductions and Efficiencies**

- Redistribute workload and reclassify positions to lower classifications as vacancies occur to achieve ongoing savings - \$50,189.
- Implement line item expense reductions to reflect efficiencies or changes in business practices - \$28,816.
- Allocate Cemetery Fund administrative costs to the Cemetery Operating Fund - \$39,120.

*[Note that the State Auditor's Office has revised the Budgeting, Accounting, and Reporting System (BARS) manual, which requires changes to the City's chart of accounts effective in 2013. These changes should not materially impact the budget, however, reporting of actual results in 2013 may align slightly differently than in prior periods.]*

**2013 - 2014 FINANCIAL OVERVIEW**

***FINANCE & ADMINISTRATION***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 4,103,151                   | 4,411,101                     | 4,685,237                   | 4,532,802                   | -3.25%                    |
| Benefits            | 1,486,696                   | 1,792,495                     | 2,013,397                   | 2,081,445                   | 3.38%                     |
| Supplies            | 25,176                      | 35,279                        | 32,880                      | 28,586                      | -13.06%                   |
| Other Services      | 1,065,779                   | 1,371,031                     | 1,438,998                   | 1,486,102                   | 3.27%                     |
| Government Services | 358,252                     | 494,430                       | 562,260                     | 839,100                     | 49.24%                    |
| Capital Outlay      | -                           | -                             | -                           | -                           | n/a                       |
| <b>TOTAL</b>        | <b>7,039,054</b>            | <b>8,104,336</b>              | <b>8,732,772</b>            | <b>8,968,035</b>            | <b>2.69%</b>              |

**FINANCIAL SUMMARY BY DIVISION**

|                             | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|-----------------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Financial Planning & Admin. | 2,273,792                   | 2,474,900                     | 2,686,533                   | 2,524,517                   | -6.03%                    |
| Treasury/Customer Services  | 1,728,102                   | 2,135,236                     | 2,276,231                   | 2,325,443                   | 2.16%                     |
| Financial Operations        | 2,027,572                   | 2,312,409                     | 2,441,874                   | 2,485,267                   | 1.78%                     |
| City Clerk                  | 1,009,588                   | 1,181,791                     | 1,328,134                   | 1,632,808                   | 22.94%                    |
| <b>TOTAL</b>                | <b>7,039,054</b>            | <b>8,104,336</b>              | <b>8,732,772</b>            | <b>8,968,035</b>            | <b>2.69%</b>              |

**POSITION SUMMARY BY DIVISION**

|                             | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|-----------------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Financial Planning & Admin. | 6.25                        | 1.75               | 8.00                        | 0.00               | 8.00                        |
| Treasury/Customer Services  | 11.75                       | -1.25              | 10.50                       | 0.00               | 10.50                       |
| Financial Operations        | 8.60                        | 1.90               | 10.50                       | 0.00               | 10.50                       |
| City Clerk                  | 3.80                        | 0.00               | 3.80                        | 0.00               | 3.80                        |
| <b>TOTAL</b>                | <b>30.40</b>                | <b>2.40</b>        | <b>32.80</b>                | <b>0.00</b>        | <b>32.80</b>                |

**2013-2014 POSITION SUMMARY**

***FINANCE & ADMINISTRATION***

**POSITION SUMMARY BY CLASSIFICATION**

| <b>Classification</b>                 | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|---------------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Director                              | 1.00                           |                              |                             | 1.00                           | 9,605 - 12,393                        |
| Deputy Director Finance & Admin.      | 1.00                           |                              |                             | 1.00                           | 8,042 - 10,376                        |
| Financial Planning Manager            | 1.00                           |                              |                             | 1.00                           | 6,992 - 9,021                         |
| Accounting Manager                    | 1.00                           |                              |                             | 1.00                           | 6,636 - 8,562                         |
| City Clerk                            | 1.00                           |                              |                             | 1.00                           | 6,291 - 8,118                         |
| Senior Financial Analyst              | 1.00                           |                              |                             | 1.00                           | 5,399 - 6,966                         |
| Purchasing Agent                      | 1.00                           |                              |                             | 1.00                           | 5,749 - 6,763                         |
| Customer Accounts Supervisor          | 1.00                           |                              |                             | 1.00                           | 4,885 - 6,304                         |
| Budget Analyst                        | 2.00                           |                              |                             | 2.00                           | 5,276 - 6,206                         |
| Deputy City Clerk                     | 0.80                           |                              |                             | 0.80                           | 5,276 - 6,206                         |
| Accountant                            | 2.00                           |                              |                             | 2.00                           | 5,168 - 6,080                         |
| Payroll Systems Coordinator           | 1.00                           |                              |                             | 1.00                           | 4,987 - 5,866                         |
| Buyer                                 | 1.00                           |                              |                             | 1.00                           | 4,654 - 5,474                         |
| Finance Administrative Assistant      | 1.00                           |                              |                             | 1.00                           | 4,534 - 5,333                         |
| Senior Accounting Associate           | 2.00                           |                              |                             | 2.00                           | 4,494 - 5,287                         |
| Accounting Support Associate IV       | 3.50                           |                              |                             | 3.50                           | 4,107 - 4,832                         |
| Customer Accounts Associate Bus. Lic. | 2.00                           |                              |                             | 2.00                           | 3,919 - 4,609                         |
| Customer Accounts Associate           | 7.00                           |                              |                             | 7.00                           | 3,816 - 4,490                         |
| City Clerk Assistant                  | 1.00                           |                              |                             | 1.00                           | 3,538 - 4,163                         |
| Administrative Clerk                  | 0.50                           |                              |                             | 0.50                           | 3,176 - 3,735                         |
| Mail Clerk                            | 1.00                           |                              |                             | 1.00                           | 3,032 - 3,567                         |
| <b>TOTAL</b>                          | <b>32.80</b>                   | <b>0.00</b>                  | <b>0.00</b>                 | <b>32.80</b>                   |                                       |

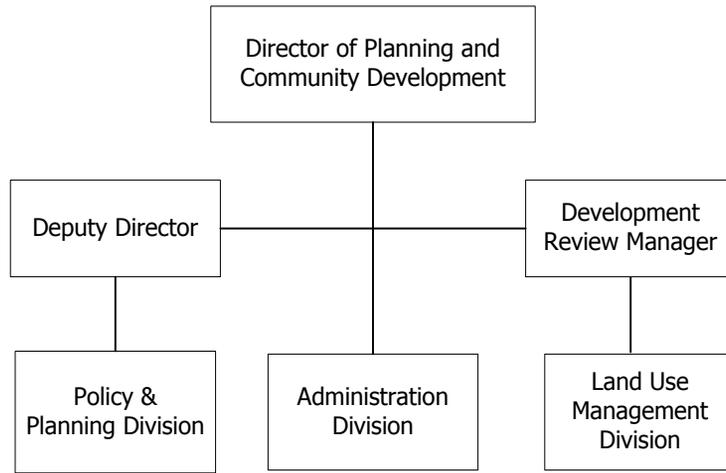
# PLANNING & COMMUNITY DEVELOPMENT



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# CITY OF KIRKLAND

## Planning and Community Development Department





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## DEPARTMENT OVERVIEW

# ***PLANNING & COMMUNITY DEVELOPMENT***

## MISSION

The **Planning and Community Development Department** is responsible for the preparation, administration, and enforcement of the City's growth management policies, regulations, and programs. The department prepares growth plans and development regulations and assures regulatory compliance by reviewing proposed development projects and undertaking code enforcement. Public outreach is conducted and assistance is provided in response to public inquiries. Activities are coordinated with state, regional, and other local governments.

## DEPARTMENT FUNCTIONS

The **Administration Division** coordinates the department budget, personnel, training, and general administrative activities.

The **Land Use Management Division** performs all regulatory functions required to implement the Comprehensive Plan, Zoning Code, Subdivision Ordinance, State Environmental Policy Act (SEPA), and Shoreline Master Program. While coordinating with the other Development Services departments, the division processes land use development applications, reviews building permits for land use code compliance, provides information about development regulations, and enforces development codes. Staff support is provided to the Hearing Examiner, Design Review Board, Houghton Community Council, and City Council in their roles of reviewing and approving development applications.

The **Policy and Planning Division** prepares the City's Comprehensive Plan, Zoning Code, Subdivision Ordinance, Shoreline Master Program, local SEPA ordinance, and other growth management plans and zoning and development regulations. Amendments to these documents are prepared annually in accordance with the Planning Work Program adopted by the City Council. Staff support is provided to the City Council, Planning Commission, Houghton Community Council, and a variety of citizen committees. The division coordinates with other agencies on regional and state-wide planning issues, monitors legislative activity, maintains development monitoring systems, and undertakes special projects as directed by the City Council or City Manager.

## RELATIONSHIP TO COUNCIL GOALS

### Neighborhoods

- Complete the update of the Comprehensive Plan and study new approaches to neighborhood planning.
- Prepare annual amendments to development codes to address emergent issues.

### Balanced Transportation

- Work with Public Works to assess traffic impact standards and update impact fees and concurrency review process.
- Incorporate a new transportation master plan into the transportation element of the Comprehensive Plan.

### Housing

- Continue membership in A Regional Coalition for Housing (ARCH) and maintain contribution to the ARCH Trust Fund for affordable housing.
- Continue support for development of the South Kirkland Park and Ride Transit Oriented Development.

### Environment

- Implement the recommendations of the urban forestry management plan.

- Continue support for green codes and low impact development programs.
- **Continue participation on the City's green team to collaborate on sustainability initiatives.**
- Update critical area regulations.

### **Economic Development**

- Support the revitalization and redevelopment of the Totem Lake business district through update of the Totem Lake Plan, zoning code changes and analysis of transfer of development rights.
- Continue review and update of commercial codes.

|                          |
|--------------------------|
| <b>BUDGET HIGHLIGHTS</b> |
|--------------------------|

### **2013-2014 Reductions and Efficiencies**

- Eliminate the vacant 0.5 FTE Urban Forester.
- Reduce Senior Planner by 0.3 FTE.
- Delayed adding approved FTE for the Development Review Manager position.
- Identified \$35,995 in additional revenues due to the anticipated 2.7% increase in fees due to CPI.
- Transferred administrative tasks from planners to a new Office Technician position.
- Transferred to planners some development review tasks previously handled by the Urban Forester.
- Adopted code amendments that simplify development regulations and save staff review time.
- Utilized the services of a consulting arborist rather than fill Urban Forester positions.
- Reduced copier charges to reflect actual use and reduction of hard copies.

### **2013-2014 Additions**

- Provide temporary specialized professional services to support the update of the Comprehensive Plan - \$326,000.
- Maintain contribution to ARCH Trust Fund at the mid-point of the average - \$630,000.
- Increase overtime and advertising to reflect additional permit review workload. Increase is offset by permit revenue - \$5,400.
- Increase printing to reflect the cost of publishing/codifying plan and code amendments - \$25,700.

**2013 - 2014 FINANCIAL OVERVIEW**

***PLANNING & COMMUNITY DEVELOPMENT***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 3,406,094                   | 3,673,823                     | 3,819,745                   | 3,876,515                   | 1.49%                     |
| Benefits            | 1,069,075                   | 1,285,000                     | 1,472,570                   | 1,596,592                   | 8.42%                     |
| Supplies            | 17,596                      | 17,926                        | 31,413                      | 18,612                      | -40.75%                   |
| Other Services      | 731,909                     | 852,230                       | 846,223                     | 1,149,232                   | 35.81%                    |
| Government Services | 119,726                     | 119,603                       | 187,525                     | 175,200                     | -6.57%                    |
| Capital Outlay      | -                           | -                             | -                           | -                           | n/a                       |
| <b>TOTAL</b>        | <b>5,344,400</b>            | <b>5,948,582</b>              | <b>6,357,476</b>            | <b>6,816,151</b>            | <b>7.21%</b>              |

**FINANCIAL SUMMARY BY DIVISION**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Administration      | 2,277,036                   | 2,618,079                     | 2,349,376                   | 2,457,092                   | 4.58%                     |
| Land Use Management | 1,725,214                   | 2,134,308                     | 2,541,780                   | 2,760,249                   | 8.60%                     |
| Policy and Planning | 1,342,150                   | 1,196,195                     | 1,466,320                   | 1,598,810                   | 9.04%                     |
| <b>TOTAL</b>        | <b>5,344,400</b>            | <b>5,948,582</b>              | <b>6,357,476</b>            | <b>6,816,151</b>            | <b>7.21%</b>              |

**POSITION SUMMARY BY DIVISION**

|                     | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|---------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Administration      | 2.35                        | 1.50               | 3.85                        | 0.00               | 3.85                        |
| Land Use Management | 12.60                       | 1.90               | 14.50                       | -0.50              | 14.00                       |
| Policy and Planning | 5.00                        | 0.90               | 5.90                        | -0.30              | 5.60                        |
| <b>TOTAL</b>        | <b>19.95</b>                | <b>4.30</b>        | <b>24.25</b>                | <b>-0.80</b>       | <b>23.45</b>                |

**2013-2014 POSITION SUMMARY**

***PLANNING & COMMUNITY DEVELOPMENT***

**POSITION SUMMARY BY CLASSIFICATION**

| <b>Classification</b>              | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|------------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Director                           | 1.00                           |                              |                             | 1.00                           | 9,143 - 11,798                        |
| Deputy Director                    | 1.00                           |                              |                             | 1.00                           | 7,309 - 9,432                         |
| Development Review Manager         | 1.00                           |                              |                             | 1.00                           | 6,980 - 9,007                         |
| Planning Supervisor                | 2.00                           |                              |                             | 2.00                           | 6,354 - 8,198                         |
| Senior Planner                     | 5.40                           | (0.30)                       |                             | 5.10                           | 6,230 - 7,330                         |
| Code Enforcement Officer           | 2.00                           |                              |                             | 2.00                           | 5,825 - 6,854                         |
| Urban Forester                     | 1.00                           | (0.50)                       |                             | 0.50                           | 5,681 - 6,683                         |
| Associate Planner                  | 1.00                           |                              |                             | 1.00                           | 5,628 - 6,622                         |
| Planner                            | 4.00                           |                              |                             | 4.00                           | 5,271 - 6,200                         |
| Planning Administration Supervisor | 0.85                           |                              |                             | 0.85                           | 4,341 - 5,602                         |
| Assistant Planner                  | 2.00                           |                              |                             | 2.00                           | 4,720 - 5,553                         |
| Senior Office Specialist           | 1.00                           |                              |                             | 1.00                           | 4,107 - 4,832                         |
| Office Specialist                  | 1.00                           |                              |                             | 1.00                           | 3,675 - 4,323                         |
| Office Technician                  | 1.00                           |                              |                             | 1.00                           | 3,501 - 4,119                         |
| <b>TOTAL</b>                       | 24.25                          | (0.80)                       | 0.00                        | 23.45                          |                                       |

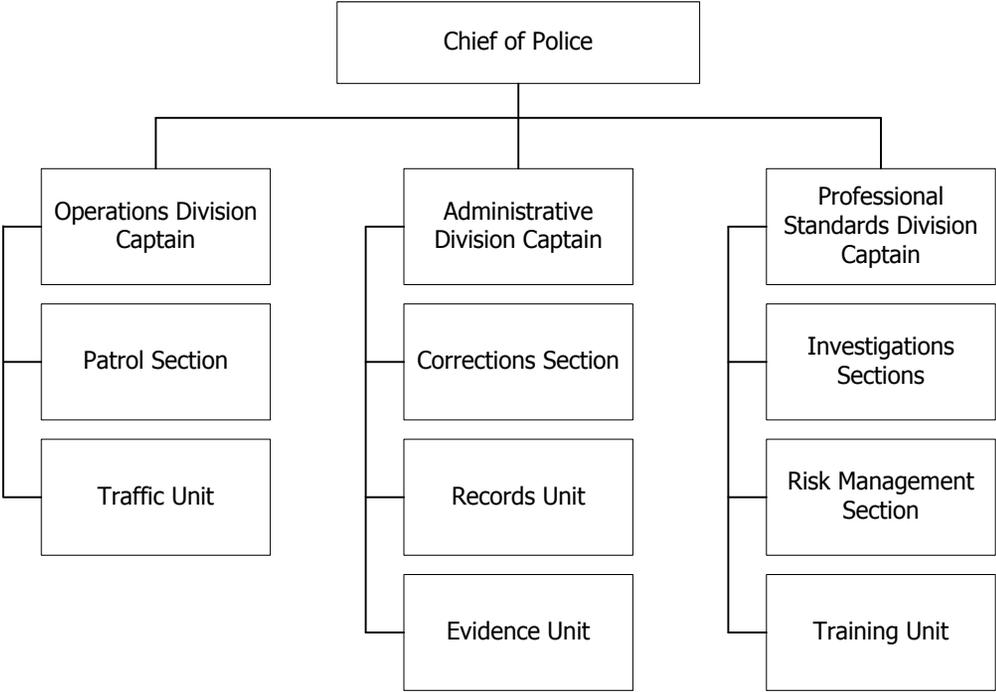
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**POLICE**



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# CITY OF KIRKLAND Police Department





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## DEPARTMENT OVERVIEW

# ***POLICE***

## MISSION

To provide quality law enforcement, with fair and respectful treatment of our community, through partnerships, personal dedication and courage.

## DEPARTMENT FUNCTIONS

The **Executive Division** provides overall coordination of department activities, coordinates with other departments and agencies, prepares and monitors budgets, and provides personnel and payroll support.

The **Operations Division** consists of Patrol, Traffic and K-9. In addition to responding to 911 calls and proactively enforcing the law, this division is responsible for working with neighborhood groups, businesses, and other organizations to identify issues, build partnerships, and resolve mutual problems.

The **Patrol Unit** provides 24-hour-per-day service to the community and provides first-unit response for general calls for police service.

The **Traffic Unit** provides enforcement and education to reduce accidents and traffic congestion. The unit also coordinates and responds to community traffic complaint areas and investigates traffic collisions. Parking Enforcement Officers are part of the Traffic Unit and serve to educate the community about parking issues and enforce parking laws.

The **Administrative Division** consists of the Corrections and Records and is also responsible for recruitment, hiring, evidence intake and storage, facility issues, fleet, scheduling, grant compliance, contracts, budget and liaison with NORCOM and other regional boards.

The **Corrections Unit** operates the jail, monitors home detention, work release and performs all prisoner transports to courts and other detention facilities.

The **Records Unit** provides for the accurate flow and management of all record-keeping duties and provides front counter service during business for all walk-in customers of the Police Department.

The **Professional Standards Division** consists of Investigations, Family Violence, Special Response Team, Crisis Negotiations, Honor Guard, and Training. This division is also responsible for reviewing and updating the department general orders and standard operating procedures, accreditation, police review boards, internal investigations and risk management.

The **Investigation Unit** is an extension to, and a support group for, the Patrol Unit and is staffed by detectives. The main function of the division is to conduct follow-up investigations of all felony crimes and certain misdemeanor crimes. This unit is also responsible for the registration, tracking and community notifications of registered sex offenders within the City of Kirkland. One detective from this unit is assigned full time to the Eastside Narcotics Task Force, which is a regional asset. In addition, one member of this unit is assigned part-time to a regional electronic crimes task force organized by the US Secret Service.

The **Crime Analyst** is attached to the Investigation Unit and monitors crime trends, provides analytical support and publishes informational bulletins on wanted subjects and officer safety issues.

The **Family Violence Unit (FVU)** is attached to the Investigation Unit. This unit is staffed by a detective and a civilian Family/Youth Advocate. The unit conducts follow-up investigation on

domestic violence cases, Child Protective Service & Adult Protective Service referrals and conducts training on domestic violence issues. In addition, they supervise the Domestic Abuse Response Team (DART), which is a volunteer civilian program that provides support services to victims of domestic violence.

The **Training Unit** is responsible for ensuring that all Department training is conducted in accordance with state mandates and ensuring the professional development of all Department members.

## RELATIONSHIP TO COUNCIL GOALS

### Neighborhoods

- Preserve and strengthen Police-Public partnerships and cooperative participation in established neighborhood networks, to include Neighborhood Association meetings, community functions and focus group meetings.

### Public Safety

- Implement responsive strategies to effectively serve the public safety priorities of the community, while sustaining a feeling of safety for our residents.
- Expand city-operated jail services to improve safety and provide expanded opportunities for alternative sentencing mechanisms.

### Balanced Transportation

- Proactively direct resources to address pedestrian and traffic safety related issues and identified concerns in our community.

### Financial Stability

- Expand use of City-operated jail services to reduce contracted jail costs and control future costs.
- Explore the feasibility of contracting jail beds to other jurisdictions when beds are not needed for Kirkland prisoners.

## BUDGET HIGHLIGHTS

### 2013-2014 Reductions and Efficiencies

- The Court and Police Department budgets were based on the assumption that the new neighborhoods would generate an additional 26,000 dispatched calls for service, which would generate a proportionate increase in court cases. In reality, the calls for service increased about 10,500. The following recalibrations are recommended as a result:
  - Reconcile projected NORCOM expenses with actual call volumes - \$382,000
  - Eliminate the additional 1.0 FTE Narcotics Task Force detective, 1.0 FTE K-9 Officer, and 1.0 FTE Administrative Support Associate - \$812,257
- Additional reductions made include:
  - Eliminate 2.0 FTE unfilled Police ProAct unit positions on hold from the 2011-2012 budget - \$516,266
  - Reduce prisoner laundry budget by \$48,000 and department repairs and maintenance budget by \$35,187

### 2013-2014 Additions

- Provide funding for the new Public Safety Building and Kirkland Jail operating costs through savings realized by reducing contracted jail bed costs - \$787,102.
  - Add 3.0 FTE Corrections Officers

**2013 - 2014 FINANCIAL OVERVIEW**

***POLICE***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 16,537,352                  | 20,734,864                    | 22,156,624                  | 23,223,330                  | 4.81%                     |
| Benefits            | 5,979,011                   | 7,979,289                     | 8,642,622                   | 9,313,257                   | 7.76%                     |
| Supplies            | 596,063                     | 862,459                       | 880,499                     | 618,186                     | -29.79%                   |
| Other Services      | 5,162,247                   | 6,628,253                     | 6,867,532                   | 8,194,385                   | 19.32%                    |
| Government Services | 4,899,605                   | 6,089,463                     | 8,070,707                   | 5,975,634                   | -25.96%                   |
| Capital Outlay      | 10,941                      | 63,426                        | 284,682                     | 89,440                      | -68.58%                   |
| <b>TOTAL</b>        | <b>33,185,219</b>           | <b>42,357,754</b>             | <b>46,902,666</b>           | <b>47,414,232</b>           | <b>1.09%</b>              |

**FINANCIAL SUMMARY BY DIVISION**

|                      | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|----------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Administration       | 7,554,791                   | 9,721,651                     | 10,090,543                  | 9,988,890                   | -1.01%                    |
| Police Investigation | 2,732,303                   | 4,016,573                     | 3,963,571                   | 4,123,513                   | 4.04%                     |
| Patrol               | 12,810,906                  | 17,995,603                    | 19,626,845                  | 19,006,849                  | -3.16%                    |
| Traffic              | 1,581,676                   | 2,181,301                     | 2,428,513                   | 2,582,777                   | 6.35%                     |
| Police Services      | 7,777,086                   | 7,895,710                     | 10,228,635                  | 10,878,456                  | 6.35%                     |
| Community Services   | 728,457                     | 546,916                       | 564,559                     | 833,747                     | 47.68%                    |
| <b>TOTAL</b>         | <b>33,185,219</b>           | <b>42,357,754</b>             | <b>46,902,666</b>           | <b>47,414,232</b>           | <b>1.09%</b>              |

**POSITION SUMMARY BY DIVISION**

|                      | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|----------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Administration       | 10.00                       | 1.00               | 11.00                       | 0.00               | 11.00                       |
| Police Investigation | 9.00                        | 2.00               | 11.00                       | 0.00               | 11.00                       |
| Patrol               | 69.00                       | 6.00               | 75.00                       | -4.00              | 71.00                       |
| Traffic              | 6.00                        | 0.00               | 6.00                        | 0.00               | 6.00                        |
| Police Services      | 25.50                       | 7.00               | 32.50                       | 2.00               | 34.50                       |
| Community Services   | 2.00                        | 0.00               | 2.00                        | 0.00               | 2.00                        |
| <b>TOTAL</b>         | <b>121.50</b>               | <b>16.00</b>       | <b>137.50</b>               | <b>-2.00</b>       | <b>135.50</b>               |

**2013-2014 POSITION SUMMARY**

***POLICE***

**POSITION SUMMARY BY CLASSIFICATION**

| <b>Classification</b>               | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|-------------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Chief                               | 1.00                           |                              |                             | 1.00                           | 9,342 - 12,054                        |
| Captain                             | 3.00                           |                              |                             | 3.00                           | 7,828 - 10,101                        |
| Lieutenant                          | 5.00                           |                              |                             | 5.00                           | 7,217 - 9,312                         |
| Corrections Manager                 | 1.00                           |                              |                             | 1.00                           | 7,176 - 9,260                         |
| Sergeant                            | 9.00                           |                              |                             | 9.00                           | 7,347 - 7,966                         |
| Police Officer                      | 61.00                          | (4.00)                       |                             | 57.00                          | 5,012 - 7,792                         |
| Corporal/Detective                  | 22.00                          |                              |                             | 22.00                          | 6,381 - 7,868                         |
| Senior Financial Analyst            | 1.00                           |                              |                             | 1.00                           | 5,399 - 6,966                         |
| Police Analyst                      | 1.00                           |                              |                             | 1.00                           | 4,934 - 6,160                         |
| Corrections Sergeant                | 1.00                           |                              |                             | 1.00                           | 4,487 - 5,790                         |
| Family-Youth Advocate               | 1.00                           |                              |                             | 1.00                           | 4,505 - 5,624                         |
| Corrections Corporal                | 2.00                           |                              |                             | 2.00                           | 4,341 - 5,419                         |
| Police Support Associate Supervisor | 1.00                           |                              |                             | 1.00                           | 4,892 - 5,188                         |
| Administrative Assistant            | 1.00                           |                              |                             | 1.00                           | 4,156 - 5,188                         |
| Corrections Officer                 | 13.00                          |                              | 3.00                        | 16.00                          | 3,952 - 4,934                         |
| Evidence Technician                 | 2.00                           |                              |                             | 2.00                           | 3,820 - 4,769                         |
| Executive Assistant II              | 1.00                           |                              |                             | 1.00                           | 3,677 - 4,744                         |
| Police Support Associate            | 7.50                           |                              |                             | 7.50                           | 3,606 - 4,501                         |
| Administrative Support Associate    | 2.00                           | (1.00)                       |                             | 1.00                           | 3,495 - 4,364                         |
| Parking Enforcement Officer         | 2.00                           |                              |                             | 2.00                           | 3,338 - 4,167                         |
| <b>TOTAL</b>                        | <b>137.50</b>                  | <b>(5.00)</b>                | <b>3.00</b>                 | <b>135.50</b>                  |                                       |

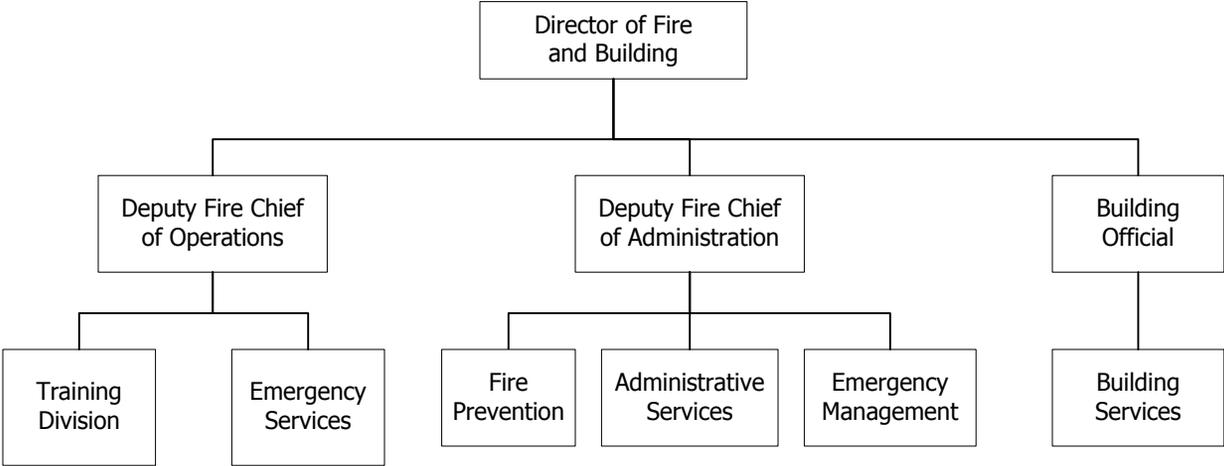
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# FIRE & BUILDING



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# CITY OF KIRKLAND Fire and Building Department





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## DEPARTMENT OVERVIEW

# ***FIRE & BUILDING***

## MISSION

Providing timely emergency response and safeguarding the lives, property and environment of our community.

## DEPARTMENT FUNCTIONS

**Administrative Services** provides administrative and support functions for the bureaus and divisions within the department, as well as special boards and commissions. They are responsible for coordination and management of the budget, support services, project management, records management, human resources, and overall administration.

**Community Risk Reduction** is a proactive bureau that works to prevent dangerous life safety situations before they happen. This is accomplished through application of the International Fire Code and local ordinances pertaining to permitted construction projects, operational permits and life safety inspections of existing occupancies such as schools, churches, businesses, convalescent homes and multi-family apartments and condominiums. Bureau staff is able to provide technical assistance to citizens and respond to safety concerns in the community. All members of the department provide fire and life safety education in our community, including schools, non-governmental organizations, and local businesses. The bureau is also responsible for investigating fires to determine origin and cause. All information from investigations is used to help prevent future fires.

**Emergency Management** prepares the City of Kirkland to respond, mitigate and recover from a disaster. This is accomplished through engaging all levels of the community, City staff, local non-government agencies, schools, businesses and residents to become prepared for any disaster and to be ready to partner to serve our community during a time of need. The division is responsible for **development and coordination of updates to the City's emergency management plans and to train City staff to operate the Emergency Operations Center (EOC)**. Emergency Management also participates, when possible, in regional projects, training, committees and other preparedness and response activities because we recognize the interdependence **of the region and the City of Kirkland's role. Information is** also provided to help educate residents, businesses and community groups on disaster preparation, response, and recovery.

**Emergency Services** responds to emergencies resulting from fires, trauma, disaster, hazardous materials incidents, and related incidents in order to minimize suffering, loss of life and property. The current work program of this division includes the maintenance of a well-trained force to: (1) Provide basic medical life support to victims of illness and trauma (2) Extinguish all fires (3) Perform technical rescues and (4) Mitigate hazardous materials incidents within the City.

**Training Division** develops and coordinates training programs for all emergency services personnel within the fire department. The division conducts and directs training activities within the department through participation in the Eastside Metro Training Group and ensures the department meets legally mandated training requirement. Ongoing training is vital in maintaining our overall level of expertise and safe emergency scene operating practices. The division oversees the health, safety and wellness program. Although hundreds of hours are spent doing on-the-job training, it is also essential that the firefighters are exposed to training programs outside of the department. This enables the department to capitalize on the knowledge of others and keeps us abreast of the ever-changing needs of society.

**Building Services** provides the general public with the minimum standards for the safety and quality of construction of new and remodeled structures, and the installation of electrical, plumbing and mechanical systems. Building Services receives, routes, and coordinates all building and related permit applications. Building Services staff works closely with architects, contractors, owners, and developers, as well as working with other departments and agencies to ensure compliance with all City requirements and issuing the permits in a timely manner. This includes plan review (both paper and electronic), field inspection, accurate record keeping, archiving, public disclosure requests and code enforcement.

## RELATIONSHIP TO COUNCIL GOALS

### Neighborhoods

- Preserve and strengthen Fire & Building-Public partnerships and cooperative participation in established neighborhood networks.

### Public Safety

- Begin implementation of the Fire Strategic Plan recommendations.
- Pursue joint staffing of Station 24 through a partnership with Northshore Fire and explore longer term partnerships.

### Financial Stability

- Continue to work with King County Emergency Medical System (EMS) so Kirkland can receive an equitable portion of the King County EMS levy to support sustainable emergency medical response for the citizens.

### Economic Development

- Complete a development services organizational review.
- Provide effective, customer-centered permitting services for development activities.

## BUDGET HIGHLIGHTS

### 2013-2014 Reductions and Efficiencies

- Reduce wild land response budget - \$23,142.

### 2013-2014 Additions

- Fire Strategic Plan implementation actions:
  - Provide Aid Care staff at Finn Hill Station #24 for 12-hour peak coverage (assumes 50% cost based on partnership with Northshore Fire) - \$649,130
  - Contract for update and maintenance of Fire and Emergency Services Policy & Procedure Manual - \$17,000
  - Add 1.00 FTE City Emergency Manager - \$322,814
  - Add one-time funding for Senior Financial Analyst to help meet budgeting, financial analysis, and administrative needs in the Fire & Building Department - \$235,781
  - Reclassify Administrative Assistant to Administrative Supervisor to help to meet the administrative and supervisory needs of the Fire & Building Department - \$12,089
- Provide one-time funding for .25 FTE Fire Records Specialist to support the EMS transport fee program in 2013 - \$24,716.

**2013 - 2014 FINANCIAL OVERVIEW**

***FIRE & BUILDING***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 21,976,201                  | 23,095,650                    | 24,072,912                  | 24,998,794                  | 3.85%                     |
| Benefits            | 6,923,609                   | 8,520,448                     | 8,538,472                   | 9,183,558                   | 7.56%                     |
| Supplies            | 373,100                     | 963,010                       | 929,054                     | 350,908                     | -62.23%                   |
| Other Services      | 5,091,727                   | 5,848,912                     | 5,959,213                   | 6,685,113                   | 12.18%                    |
| Government Services | 906,452                     | 1,063,803                     | 1,297,207                   | 938,051                     | -27.69%                   |
| Capital Outlay      | -                           | 7,000                         | 12,500                      | -                           | n/a                       |
| <b>TOTAL</b>        | <b>35,271,089</b>           | <b>39,498,823</b>             | <b>40,809,358</b>           | <b>42,156,424</b>           | <b>3.30%</b>              |

**FINANCIAL SUMMARY BY DIVISION**

|                      | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|----------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Administration       | 2,121,890                   | 2,536,376                     | 2,893,381                   | 2,955,377                   | 2.14%                     |
| Emergency Services   | 27,613,984                  | 31,154,282                    | 31,480,132                  | 32,539,157                  | 3.36%                     |
| Fire Prevention      | 1,234,640                   | 1,410,586                     | 1,370,756                   | 1,494,479                   | 9.03%                     |
| Building Services    | 3,831,855                   | 4,075,079                     | 4,699,426                   | 4,782,909                   | 1.78%                     |
| Emergency Management | 468,720                     | 322,500                       | 365,663                     | 384,502                     | 5.15%                     |
| <b>TOTAL</b>         | <b>35,271,089</b>           | <b>39,498,823</b>             | <b>40,809,358</b>           | <b>42,156,424</b>           | <b>3.30%</b>              |

**POSITION SUMMARY BY DIVISION**

|                      | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|----------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Administration       | 6.00                        | 1.50               | 7.50                        | 0.00               | 7.50                        |
| Emergency Services   | 83.00                       | 9.00               | 92.00                       | 1.00               | 93.00                       |
| Fire Prevention      | 3.45                        | 0.55               | 4.00                        | 0.00               | 4.00                        |
| Building Services    | 15.28                       | 3.50               | 18.78                       | 0.00               | 18.78                       |
| Emergency Management | 0.00                        | 0.00               | 0.00                        | 0.00               | 0.00                        |
| <b>TOTAL</b>         | <b>107.73</b>               | <b>14.55</b>       | <b>122.28</b>               | <b>1.00</b>        | <b>123.28</b>               |

**2013 - 2014 POSITION SUMMARY**

***FIRE & BUILDING***

**POSITION SUMMARY BY CLASSIFICATION**

| <b>Classification</b>             | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|-----------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Fire and Building Director        | 1.00                           |                              |                             | 1.00                           | 9,342 - 12,054                        |
| Deputy Chief                      | 2.00                           |                              |                             | 2.00                           | 8,313 - 10,726                        |
| Building Services Manager         | 1.00                           |                              |                             | 1.00                           | 7,598 - 9,805                         |
| City Emergency Manager            | 0.00                           |                              | 1.00                        | 1.00                           | 7,598 - 9,805                         |
| Battalion Chief                   | 4.00                           |                              |                             | 4.00                           | 9,224 - 9,709                         |
| Fire Marshal                      | 1.00                           |                              |                             | 1.00                           | 7,269 - 9,381                         |
| Assistant Fire Marshall/Inspector | 1.00                           |                              |                             | 1.00                           | 8,599 - 9,085                         |
| Captain                           | 12.00                          |                              |                             | 12.00                          | 8,183 - 8,669                         |
| Lieutenant                        | 11.00                          |                              |                             | 11.00                          | 7,629 - 7,975                         |
| Plan Review Supervisor            | 1.00                           |                              |                             | 1.00                           | 5,841 - 7,538                         |
| Fire Inspector                    | 1.00                           |                              |                             | 1.00                           | 8,045 - 8,391                         |
| Inspection Supervisor             | 1.00                           |                              |                             | 1.00                           | 5,709 - 7,367                         |
| Firefighter                       | 66.00                          |                              |                             | 66.00                          | 6,335 - 6,935                         |
| Deputy Fire Marshal               | 1.00                           |                              |                             | 1.00                           | 6,785 - 6,935                         |
| Plans Examiner II                 | 4.00                           |                              |                             | 4.00                           | 5,591 - 6,577                         |
| Electrical/Building Inspector     | 5.00                           |                              |                             | 5.00                           | 5,394 - 6,345                         |
| Permit Technician Supervisor      | 1.00                           |                              |                             | 1.00                           | 4,701 - 6,065                         |
| Plans Examiner I                  | 1.00                           |                              |                             | 1.00                           | 5,135 - 6,042                         |
| Administrative Assistant          | 2.00                           |                              |                             | 2.00                           | 4,534 - 5,333                         |
| Permit Technician                 | 3.28                           |                              |                             | 3.28                           | 4,300 - 5,058                         |
| Office Technician                 | 3.00                           |                              |                             | 3.00                           | 3,501 - 4,119                         |
| <b>TOTAL</b>                      | <b>122.28</b>                  | <b>0.00</b>                  | <b>1.00</b>                 | <b>123.28</b>                  |                                       |

Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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## LODGING TAX FUND

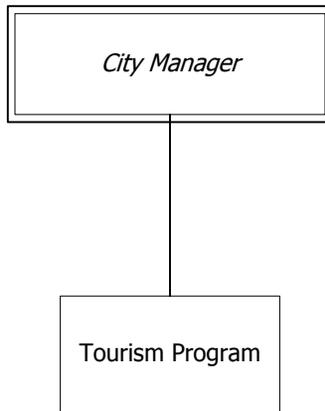
The Lodging Tax Fund accounts for the City's tourism program and expenditures related to the operation of tourism-related facilities. The primary source of revenue is a one percent lodging tax instituted in January 2002.



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**CITY OF KIRKLAND  
City Manager's Office**

Lodging Tax Fund



*Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate department and/or operating fund.*

## DEPARTMENT OVERVIEW

# ***LODGING TAX FUND***

## MISSION

The Lodging Tax Fund was created to account for Lodging Tax revenue that provides funding for tourism promotion and marketing activities to attract visitors to Kirkland resulting in increased day trips and overnight stays. The Tourism Program strives to optimize the assets of Kirkland to promote the City as a destination.

## DEPARTMENT FUNCTIONS

The City Manager's Office oversees the Tourism Program in conjunction with the Economic Development Program, recognizing its role in generating revenue for the City. The program promotes events and programs through the ExploreKirkland.com website, a Facebook page, and monthly electronic event guides. It also provides printed visitor guides, dining guides and event guides to 175 locations in Kirkland and neighboring cities. It provides networking with local and regional tourism providers and familiarization tours for travel writers. The Tourism Program also provides media outreach and public relations to promote Kirkland as a destination and for selected events.

The revenue source for the Tourism Program is the Lodging Excise Tax collected from one percent of the sale of short-term accommodations as authorized by state statute. Use of the Lodging Excise Tax is limited to fund tourism promotion and operation of tourism-related facilities. **The City Manager's Office** provides staff support to the Tourism Development Committee whose role is to provide recommendations on the use of the lodging tax funds and help guide the tourism program priorities.

## RELATIONSHIP TO COUNCIL GOALS

### **Financial Stability**

- **Improve Kirkland's tourism offerings by continued development** of relationships with tourism partners.
- Continue to promote overnight stays by marketing Kirkland to regional and national publications of interest to tourists and business travelers, bringing dollars into the community.

### **Economic Development**

- Provide training and networking opportunities to support tourism related businesses.
- Offer funding to special events and festivals that bring visitors to Kirkland.
- Offer visitor guides, dining and event guides to educate visitors and community members about local businesses.
- Convene regional tourism meetings to explore joint marketing ventures and complimentary efforts.

## BUDGET HIGHLIGHTS

### **2013-2014 Reductions and Efficiencies**

- Reduced costs by bringing the event guide creation in house, thereby freeing up more consultant time for public relations and media exposure, which have netted many articles on local events, event sponsorships, and radio and television spots.
- Created efficiencies by hosting the website in house, allowing more flexibility to make changes without additional costs.

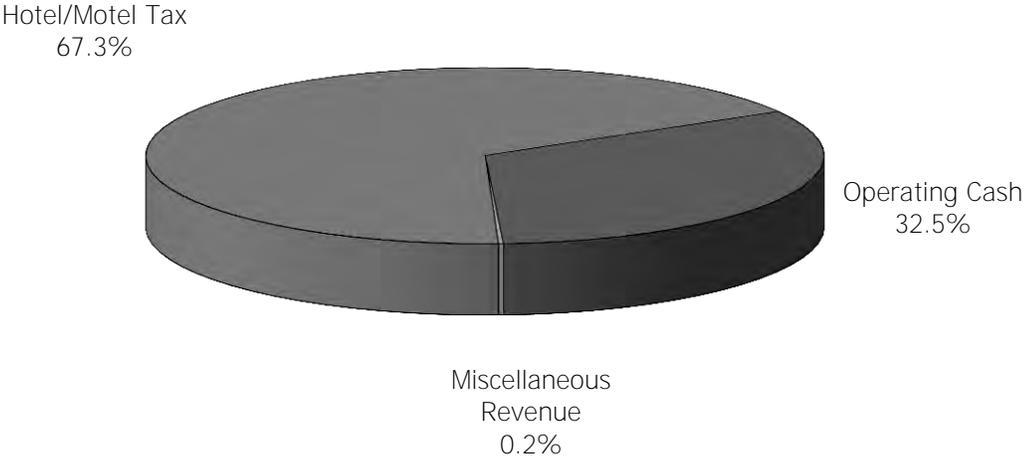
### **2013-2014 Additions**

- As the economy recovers from the recession, tourism revenues have increased and are projected to continually increase. These additional funds will be allocated to:

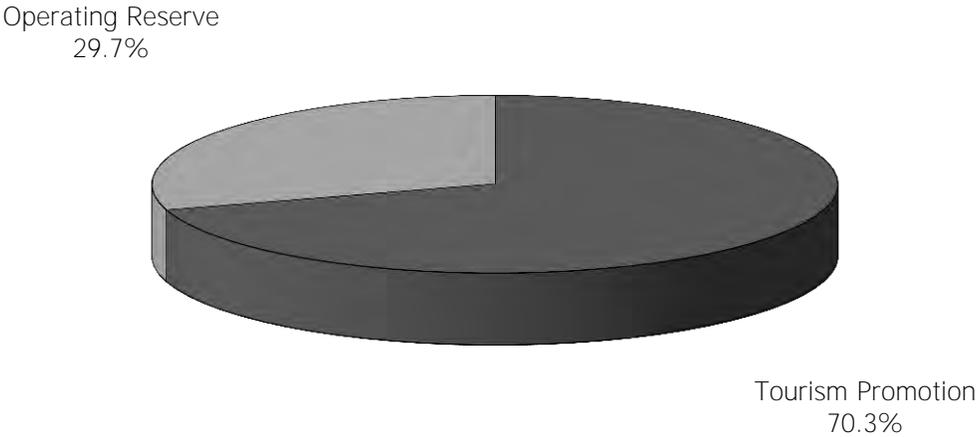
- Increase the printing of visitor, dining and seasonal event guides, which our tracking has shown are very popular and are distributed to 175 local and regional outlets
  - Restore funding of special events that bring thousands of visitors to Kirkland each year
  - Restore tourism public relations outreach, increasing the visibility and profile of Kirkland through earned media
- The budget includes charges for interfund Citywide overhead, which reflects the costs of central support functions such as Human Resources, Finance, etc. The recognition of these charges was necessary to follow the best practices in overhead allocation identified in the performance audit **conducted by the State Auditor's Office.**

# 2013-2014 BUDGET LODGING TAX FUND

## Sources of Funds



## Uses of Funds



**2013 - 2014 FINANCIAL OVERVIEW**

***LODGING TAX FUND***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 119,712                     | 88,619                        | 113,310                     | 113,952                     | 0.57%                     |
| Benefits            | 25,480                      | 25,120                        | 40,811                      | 43,323                      | 6.16%                     |
| Supplies            | 1,882                       | 4,451                         | 3,750                       | 6,400                       | 70.67%                    |
| Other Services      | 369,737                     | 228,856                       | 275,403                     | 316,782                     | 15.02%                    |
| Government Services | -                           | -                             | -                           | -                           | n/a                       |
| Capital Outlay      | -                           | -                             | -                           | -                           | n/a                       |
| Reserves            | -                           | -                             | 103,975                     | 210,195                     | 102.16%                   |
| <b>TOTAL</b>        | 516,811                     | 347,046                       | 537,249                     | 690,652                     | 28.55%                    |

**FINANCIAL SUMMARY BY DIVISION**

|              | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|--------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| City Manager | 516,811                     | 347,046                       | 537,249                     | 690,652                     | 28.55%                    |
| <b>TOTAL</b> | 516,811                     | 347,046                       | 537,249                     | 690,652                     | 28.55%                    |

**POSITION SUMMARY BY DIVISION**

|              | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|--------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| City Manager | 0.60                        | 0.00               | 0.60                        | 0.00               | 0.60                        |
| <b>TOTAL</b> | 0.60                        | 0.00               | 0.60                        | 0.00               | 0.60                        |

**2013-2014 POSITION SUMMARY*****LODGING TAX FUND*****POSITION SUMMARY BY CLASSIFICATION**

| <u>Classification</u>        | <u>2011-2012<br/>Positions</u> | <u>Budget<br/>Reductions</u> | <u>Service<br/>Packages</u> | <u>2013-2014<br/>Positions</u> | <u>Budgeted 2013<br/>Salary Range</u> |
|------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Economic Development Manager | 0.15                           |                              |                             | 0.15                           | 7,907 - 10,204                        |
| Special Projects Coordinator | 0.25                           |                              |                             | 0.25                           | 5,751 - 6,767                         |
| Administrative Assistant     | 0.20                           |                              |                             | 0.20                           | 4,534 - 5,333                         |
| <b>TOTAL</b>                 | 0.60                           | 0.00                         | 0.00                        | 0.60                           |                                       |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|   |                                 | 2009 -2010<br>Actual | 2011 - 2012<br>Estimate | 2011- 2012<br>Budget | 2013- 2014<br>Budget | Percent<br>Change |
|---|---------------------------------|----------------------|-------------------------|----------------------|----------------------|-------------------|
| <b>Fund:</b>                                | <b>Lodging Tax Fund (112)</b>   |                      |                         |                      |                      |                   |
| <b>Department:</b>                          | <b>General</b>                  |                      |                         |                      |                      |                   |
| <b>Division:</b>                            | <b>Not Applicable</b>           |                      |                         |                      |                      |                   |
| <b>Key:</b>                                 | <b>Lodging Tax (1120000000)</b> |                      |                         |                      |                      |                   |
| <b>Taxes</b>                                |                                 |                      |                         |                      |                      |                   |
| Hotel* Motel Tax                            | 3133001                         | 372,653              | 419,833                 | 386,975              | 0                    | 0.00%             |
| Hotel Motel Tax                             | 3133101                         | 0                    | 0                       | 0                    | 464,704              | 0.00%             |
| <b>Total for Taxes:</b>                     |                                 | <b>372,653</b>       | <b>419,833</b>          | <b>386,975</b>       | <b>464,704</b>       | <b>20.08%</b>     |
| <b>Intergovernmental Revenue</b>            |                                 |                      |                         |                      |                      |                   |
| Dept Comm Trade Economic De                 | 3340420                         | 7,000                | 0                       | 0                    | 0                    | 0.00%             |
| <b>Total for Intergovernmental Revenue:</b> |                                 | <b>7,000</b>         | <b>0</b>                | <b>0</b>             | <b>0</b>             | <b>0.00%</b>      |
| <b>Miscellaneous Revenues</b>               |                                 |                      |                         |                      |                      |                   |
| Investment Interest                         | 3611101                         | 9,205                | 3,145                   | 2,250                | 1,632                | -27.46%           |
| ContribDonations Private                    | 3679901                         | 630                  | 0                       | 1,500                | 0                    | 0.00%             |
| Other Misc Revenue                          | 3699001                         | 0                    | 0                       | 140                  | 0                    | 0.00%             |
| <b>Total for Miscellaneous Revenues:</b>    |                                 | <b>9,835</b>         | <b>3,145</b>            | <b>3,890</b>         | <b>1,632</b>         | <b>-58.04%</b>    |
| <b>Other Financing Sources</b>              |                                 |                      |                         |                      |                      |                   |
| Resources Forward                           | 3999901                         | 0                    | 146,384                 | 146,384              | 224,316              | 53.23%            |
| <b>Total for Other Financing Sources:</b>   |                                 | <b>0</b>             | <b>146,384</b>          | <b>146,384</b>       | <b>224,316</b>       | <b>53.23%</b>     |
| <b>Total for Lodging Tax (1120000000):</b>  |                                 | <b>389,488</b>       | <b>569,362</b>          | <b>537,249</b>       | <b>690,652</b>       | <b>28.55%</b>     |
| <b>Total for Not Applicable:</b>            |                                 | <b>389,488</b>       | <b>569,362</b>          | <b>537,249</b>       | <b>690,652</b>       | <b>28.55%</b>     |
| <b>Total for General:</b>                   |                                 | <b>389,488</b>       | <b>569,362</b>          | <b>537,249</b>       | <b>690,652</b>       | <b>28.55%</b>     |
| <b>Total for Lodging Tax Fund:</b>          |                                 | <b>389,488</b>       | <b>569,362</b>          | <b>537,249</b>       | <b>690,652</b>       | <b>28.55%</b>     |



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Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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## STREET OPERATING FUND

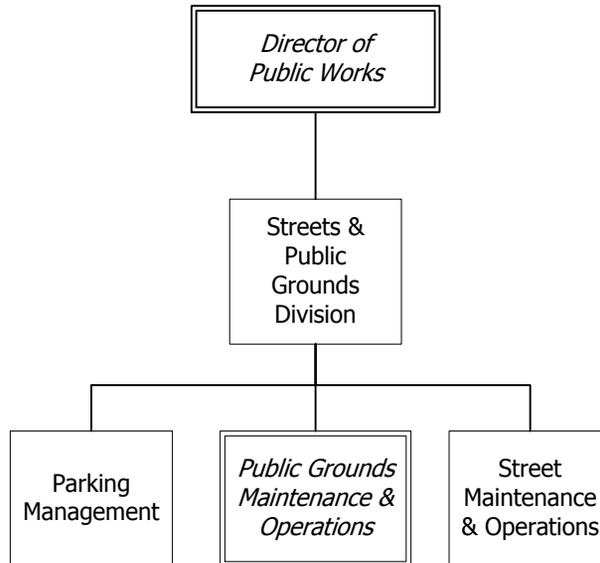
The Street Operating Fund accounts for the administration, maintenance, and minor **construction of the City's transportation infrastructure**. The **primary sources** of revenue are property taxes and the State levied gasoline tax. This fund also includes the revenues from the 2012 Street Levy – Proposition No. 1: Levy for City street maintenance and pedestrian safety.



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# CITY OF KIRKLAND Public Works Department

## Street Operating Fund



*Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.*

**DEPARTMENT OVERVIEW**

***STREET OPERATING FUND***

**MISSION**

The Street Operating Fund is established to account for the administration of all resources associated with the maintenance, operation, and minor construction of roadways, sidewalks, pathways, traffic signs and signals, and roadsides.

**DEPARTMENT FUNCTIONS**

Within the Streets and Grounds Division of Public Works, the Street Maintenance Group administers and maintains 593 lane miles of streets, 234 lane miles of sidewalks, 5¾ miles of rail corridor, 58 traffic signals, 20 school beacons, 22 radar signs, 33 flashing crosswalks, and approximately 13,000 street signs. The Division is also responsible for street sweeping and mowing public right-of-ways. The Construction Group provides for minor construction of new sidewalks and related equipment costs that are not included in the Capital Improvement Program.

**RELATIONSHIP TO COUNCIL GOALS**

**Neighborhoods**

- Ensure that streets and sidewalks are well-maintained in Kirkland neighborhoods to sustain a high quality of life in every neighborhood.
- Reinstate neighborhood traffic control program.

**Public Safety**

- Maintain safe operation and maintenance of traffic signals for citizen safety, as well as mowing right of ways to ensure maximum visibility to drivers, bikers, and pedestrians. Well-maintained streetlights and street signs are vital to the overall safety of drivers, pedestrians, and bikers.
- Support neighborhood traffic safety improvements.

**Balanced Transportation**

- Assure that infrastructure for all modes of transportation is maintained to provide equal access and to promote alternatives to single occupancy vehicles.
- If approved by voters, implement enhanced road repair and reconstruction projects, neighborhood traffic control services and pedestrian safety programs.

**Financial Stability**

- Provide stable and ongoing revenue for ongoing maintenance needs.

**BUDGET HIGHLIGHTS**

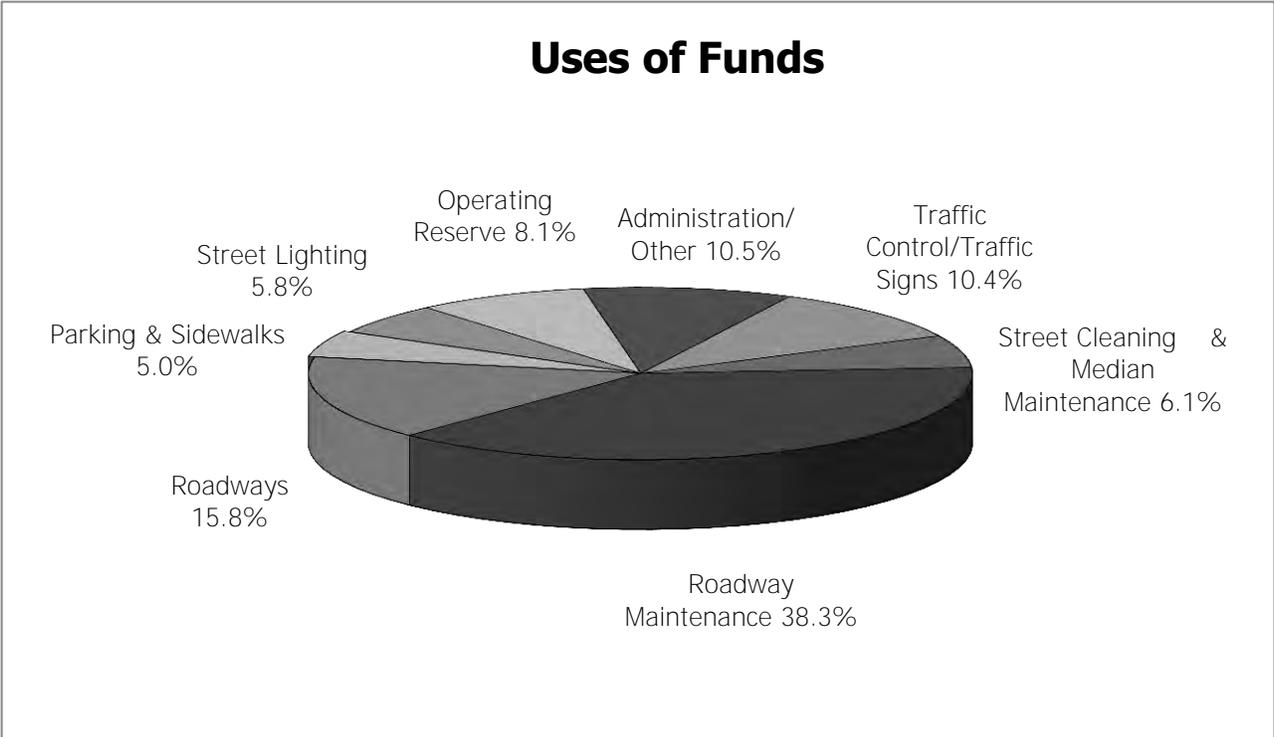
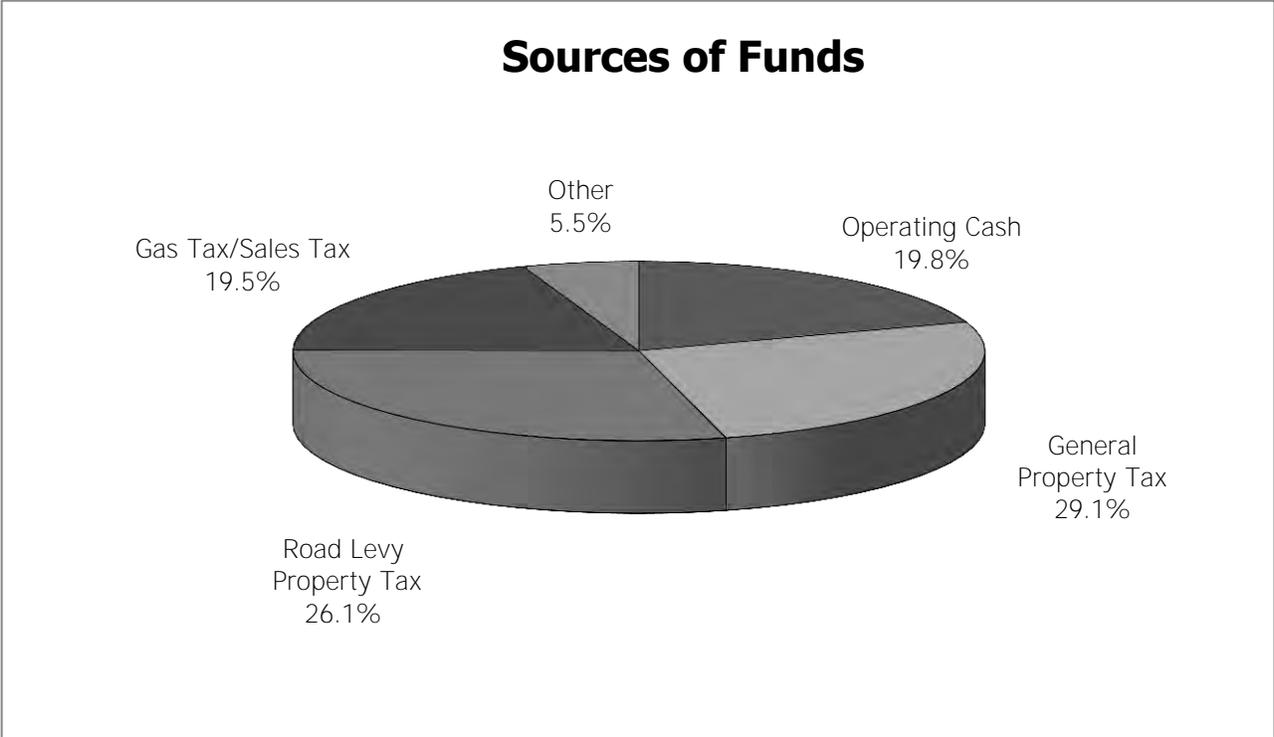
**2013-2014 Budget Reductions and Efficiencies**

- Sunset the Parking Advisory Board and eliminate the Parking Coordinator position. Downtown parking management will be redistributed to the Transportation Engineering group.
- Eliminate the 0.9 FTE Grounds Technician and the 0.5 FTE Utility Locator positions to recalibrate annexation staffing needs.
- Reduced various supply and contract services line items - \$82,250.

**2013-2014 Additions**

- Using Real Estate Excise Tax (REET) funds for enhanced street and median maintenance and a 1.0 FTE Laborer (one-time) - \$320,116.
- Add 1.0 FTE Capital Projects Engineer to support levy-funded street restoration projects - \$237,838.
- Add 2.0 FTE Maintenance workers and enhance annual street overlay to support levy-funded road repairs and maintenance - \$5,762,162.

# 2013-2014 BUDGET STREET OPERATING FUND





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**2013 - 2014 FINANCIAL OVERVIEW**

***STREET OPERATING FUND***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 1,832,397                   | 1,996,252                     | 2,409,606                   | 2,584,170                   | 7.24%                     |
| Benefits            | 759,928                     | 997,155                       | 1,205,933                   | 1,451,434                   | 20.36%                    |
| Supplies            | 854,967                     | 737,692                       | 1,095,810                   | 1,099,017                   | 0.29%                     |
| Other Services      | 4,123,461                   | 4,504,725                     | 4,648,473                   | 4,852,666                   | 4.39%                     |
| Government Services | 54,931                      | 2,649,011                     | 2,673,940                   | 6,856,637                   | 156.42%                   |
| Capital Outlay      | 257,427                     | 44,963                        | 60,683                      | 129,000                     | 112.58%                   |
| Reserves            | -                           | 31,000                        | 2,622,081                   | 3,194,362                   | 21.83%                    |
| <b>TOTAL</b>        | <b>7,883,111</b>            | <b>10,960,798</b>             | <b>14,716,526</b>           | <b>20,167,286</b>           | <b>37.04%</b>             |

**FINANCIAL SUMMARY BY DIVISION**

|                            | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|----------------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Transportation Engineering | 314,108                     | 274,758                       | 330,946                     | 437,736                     | 32.27%                    |
| Maintenance                | 4,309,463                   | 5,234,642                     | 5,983,552                   | 6,328,090                   | 5.76%                     |
| Administrative/General     | 3,259,540                   | 5,451,398                     | 8,402,028                   | 13,401,460                  | 59.50%                    |
| <b>TOTAL</b>               | <b>7,883,111</b>            | <b>10,960,798</b>             | <b>14,716,526</b>           | <b>20,167,286</b>           | <b>37.04%</b>             |

**POSITION SUMMARY BY DIVISION**

|                            | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|----------------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Transportation Engineering | 0.50                        | -0.50              | 0.00                        | 0.00               | 0.00                        |
| Maintenance                | 12.30                       | 6.10               | 18.40                       | 0.60               | 19.00                       |
| Administrative/General     | 2.70                        | -0.45              | 2.25                        | -0.50              | 1.75                        |
| <b>TOTAL</b>               | <b>15.50</b>                | <b>5.15</b>        | <b>20.65</b>                | <b>0.10</b>        | <b>20.75</b>                |

**2013-2014 POSITION SUMMARY**

***STREET OPERATING FUND***

**POSITION SUMMARY BY CLASSIFICATION**

| <b>Classification</b>           | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|---------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Street Manager                  | 0.95                           |                              |                             | 0.95                           | 6,695 - 8,640                         |
| Internal Services Manager       | 0.10                           |                              |                             | 0.10                           | 6,645 - 8,575                         |
| Parking Coordinator             | 0.50                           | (0.50)                       |                             | 0.00                           | 6,065 - 7,135                         |
| Management Analyst              | 0.40                           |                              |                             | 0.40                           | 5,559 - 6,540                         |
| Leadperson                      | 1.60                           |                              |                             | 1.60                           | 5,100 - 6,154                         |
| Electronics Technician II       | 2.00                           |                              |                             | 2.00                           | 4,429 - 5,949                         |
| Senior Maintenance Person       | 5.50                           |                              | 1.00                        | 6.50                           | 4,279 - 5,527                         |
| Yard Maint. & Inventory Control | 0.25                           |                              |                             | 0.25                           | 4,279 - 5,527                         |
| Senior Craftperson              | 1.00                           |                              |                             | 1.00                           | 4,279 - 5,527                         |
| Utility Craftsperson            | 0.60                           | (0.50)                       |                             | 0.10                           | 3,988 - 5,098                         |
| Accounting Support Associate IV | 0.05                           |                              |                             | 0.05                           | 4,107 - 4,832                         |
| Utilityperson                   | 4.50                           |                              | 1.00                        | 5.50                           | 3,368 - 4,632                         |
| Grounds Technician              | 2.95                           | (0.90)                       |                             | 2.05                           | 3,368 - 4,632                         |
| Public Works Office Specialist  | 0.25                           |                              |                             | 0.25                           | 3,675 - 4,323                         |
| <b>TOTAL</b>                    | 20.65                          | (1.90)                       | 2.00                        | 20.75                          |                                       |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|   |                                     | 2009 -2010       | 2011 - 2012      | 2011- 2012       | 2013 -2014        | Percent       |
|---|-------------------------------------|------------------|------------------|------------------|-------------------|---------------|
|   |                                     | Actual           | Estimate         | Budget           | Budget            | Change        |
| <b>Fund:</b>                                | <b>Street Operating (117)</b>       |                  |                  |                  |                   |               |
| <b>Department:</b>                          | <b>General</b>                      |                  |                  |                  |                   |               |
| <b>Division:</b>                            | <b>Not Applicable</b>               |                  |                  |                  |                   |               |
| <b>Key:</b>                                 | <b>Street Operating (117000000)</b> |                  |                  |                  |                   |               |
| <b>Taxes</b>                                |                                     |                  |                  |                  |                   |               |
| Property Tax-Real & Personal                | 3111001                             | 6,076,538        | 2,805,470        | 2,803,103        | 5,271,499         | 88.05%        |
| Property Tax 2012 Road Levy                 | 3111005                             | 0                | 0                | 0                | 5,872,746         | 0.00%         |
| Diverted Cnty Road Prop Tax                 | 3112001                             | 0                | 4,542,113        | 4,378,793        | 0                 | 0.00%         |
| Retail* SalesUse Tax                        | 3131001                             | 0                | 540,000          | 540,000          | 0                 | 0.00%         |
| Retail Sales Use Tax                        | 3131101                             | 0                | 0                | 0                | 540,000           | 0.00%         |
| Leasehold Excise Tax                        | 3172001                             | 1,166            | 0                | 0                | 0                 | 0.00%         |
| <b>Total for Taxes:</b>                     |                                     | <b>6,077,704</b> | <b>7,887,583</b> | <b>7,721,896</b> | <b>11,684,245</b> | <b>51.31%</b> |
| <b>License and Permits</b>                  |                                     |                  |                  |                  |                   |               |
| Street Cut Permit                           | 3224004                             | 12,800           | 212,418          | 0                | 220,000           | 0.00%         |
| Interfund *Street Permit Fee                | 3290040                             | 0                | 200              | 0                | 0                 | 0.00%         |
| <b>Total for License and Permits:</b>       |                                     | <b>12,800</b>    | <b>212,618</b>   | <b>0</b>         | <b>220,000</b>    | <b>0.00%</b>  |
| <b>Intergovernmental Revenue</b>            |                                     |                  |                  |                  |                   |               |
| Dept of Homeland Security                   | 3319703                             | 18,321           | 0                | 0                | 0                 | 0.00%         |
| Indirect FEMA                               | 3339703                             | 0                | 58,999           | 0                | 0                 | 0.00%         |
| CJTC WASPC Grants                           | 3340111                             | 12,000           | 0                | 0                | 0                 | 0.00%         |
| Military Department                         | 3340180                             | 3,053            | 9,833            | 0                | 0                 | 0.00%         |
| MVFT-City Streets                           | 3360087                             | 1,038,847        | 1,457,006        | 1,604,841        | 3,388,658         | 111.15%       |
| MVFT-*Arterial Streets Hwys                 | 3360088                             | 0                | 1,353,000        | 1,353,000        | 0                 | 0.00%         |
| Intergovt*Other Gen Govt Svcs               | 3381901                             | 32,500           | 0                | 0                | 0                 | 0.00%         |
| ARRA Dir Fed EECBG                          | 3391811                             | 127,728          | 0                | 0                | 0                 | 0.00%         |
| <b>Total for Intergovernmental Revenue:</b> |                                     | <b>1,232,449</b> | <b>2,878,838</b> | <b>2,957,841</b> | <b>3,388,658</b>  | <b>14.56%</b> |
| <b>Charges for Goods and Services</b>       |                                     |                  |                  |                  |                   |               |
| Sale*of Maps and Publications               | 3415001                             | 0                | 0                | 200              | 0                 | 0.00%         |
| Other*General Government Svcs               | 3419001                             | 30,867           | 30,015           | 10,000           | 0                 | 0.00%         |
| PW Deposit Admin Fees                       | 3419002                             | 75               | 0                | 0                | 0                 | 0.00%         |
| Special*Event Services                      | 3419003                             | 0                | 150              | 0                | 0                 | 0.00%         |
| General Govt Services                       | 3419601                             | 0                | 0                | 0                | 10,000            | 0.00%         |
| Street Sign Fee                             | 3441201                             | 0                | 0                | 0                | 20,000            | 0.00%         |
| Street*Sign Fee                             | 3449010                             | 12,552           | 25,277           | 10,000           | 0                 | 0.00%         |
| Interfund Personnel Services                | 3491601                             | 104,679          | 38,130           | 0                | 0                 | 0.00%         |
| Interfund-Other Gen Govmnt                  | 3491901                             | 153,201          | 93               | 104,606          | 32,453            | -68.97%       |
| Interfund Supplies                          | 3491903                             | 1,010            | 7,845            | 0                | 0                 | 0.00%         |
| Interfund-Road Maint Services               | 3494201                             | 43,966           | 81,968           | 0                | 0                 | 0.00%         |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|  |         | 2009 -2010<br>Actual | 2011 - 2012<br>Estimate | 2011- 2012<br>Budget | 2013 -2014<br>Budget | Percent<br>Change |
|--|---------|----------------------|-------------------------|----------------------|----------------------|-------------------|
| <b>Total for Charges for Goods and Services:</b> |         | 346,350              | 183,478                 | 124,806              | 62,453               | -49.95%           |
| <b>Fines and Forfeits</b>                        |         |                      |                         |                      |                      |                   |
| Forfeiture of Bonds Deposits                     | 3591001 | 0                    | 3,318                   | 0                    | 0                    | 0.00%             |
| <b>Total for Fines and Forfeits:</b>             |         | 0                    | 3,318                   | 0                    | 0                    | 0.00%             |
| <b>Miscellaneous Revenues</b>                    |         |                      |                         |                      |                      |                   |
| Parking Meters                                   | 3623001 | 236,052              | 268,224                 | 240,000              | 271,320              | 13.05%            |
| Municipal Garage Daily                           | 3623002 | 3,343                | 0                       | 0                    | 0                    | 0.00%             |
| Parking Park Main Ant Mall                       | 3623003 | 50,232               | 120,257                 | 160,000              | 160,000              | 0.00%             |
| Facilities Leases LT-Garage                      | 3625001 | 29,862               | 31,852                  | 30,000               | 30,000               | 0.00%             |
| Facilities Leases LT-Other                       | 3625002 | 10,774               | 2,116                   | 0                    | 0                    | 0.00%             |
| Stall Parking Park Main Ant                      | 3625003 | 183                  | 12,041                  | 3,000                | 20,000               | 566.66%           |
| Contrib Rebates Prescription                     | 3671901 | 0                    | 165                     | 0                    | 0                    | 0.00%             |
| ContribDonations Private                         | 3679901 | 2,000                | 150                     | 0                    | 0                    | 0.00%             |
| Sale of Scrap Material                           | 3691001 | 0                    | 9,827                   | 0                    | 0                    | 0.00%             |
| Other Judgements Settlements                     | 3694001 | 41,548               | 30,069                  | 10,000               | 10,000               | 0.00%             |
| Other Misc Revenue                               | 3699001 | 17,339               | 955                     | 5,000                | 5,000                | 0.00%             |
| <b>Total for Miscellaneous Revenues:</b>         |         | 391,333              | 475,656                 | 448,000              | 496,320              | 10.78%            |
| <b>Other Financing Sources</b>                   |         |                      |                         |                      |                      |                   |
| Operating Transfer In                            | 3971001 | 25,000               | 200,000                 | 200,000              | 320,116              | 60.05%            |
| Ins Rec Gen Govt Non Capital                     | 3980001 | 0                    | 818                     | 0                    | 0                    | 0.00%             |
| Resources Forward                                | 3999901 | 0                    | 3,263,983               | 3,263,983            | 3,995,494            | 22.41%            |
| <b>Total for Other Financing Sources:</b>        |         | 25,000               | 3,464,801               | 3,463,983            | 4,315,610            | 24.58%            |
| <b>Total for Street Operating (1170000000):</b>  |         | 8,085,636            | 15,106,292              | 14,716,526           | 20,167,286           | 37.03%            |
| <b>Total for Not Applicable:</b>                 |         | 8,085,636            | 15,106,292              | 14,716,526           | 20,167,286           | 37.03%            |
| <b>Total for General:</b>                        |         | 8,085,636            | 15,106,292              | 14,716,526           | 20,167,286           | 37.03%            |
| <b>Total for Street Operating:</b>               |         | 8,085,636            | 15,106,292              | 14,716,526           | 20,167,286           | 37.03%            |

Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

## CEMETERY OPERATING FUND

The Cemetery Operating Fund accounts for the operation of the City's cemetery.  
The primary source of revenue is user fees.



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**DEPARTMENT OVERVIEW**

***CEMETERY OPERATING FUND***

**MISSION**

The Cemetery Operating fund is responsible for operating and maintaining the City of Kirkland Cemetery.

**DEPARTMENT FUNCTIONS**

The Parks Department maintenance crews provide for the operation and maintenance of the cemetery and services for interment procedures, including ongoing maintenance service such as mowing, edging, weeding, installation of markers, and verification of gravesites.

The Finance and Administration Department provides cemetery administration support through the sale of lots and markers and maintenance of cemetery records.

The direct, non-labor costs and reimbursement for the labor costs in Finance and Administration are accounted for in the Cemetery Operating Fund. The labor costs for the Parks department are accounted for in the General Fund.

**RELATIONSHIP TO COUNCIL GOALS**

**Parks, Open Spaces and Recreational Services**

- Continue the establishment of a memorial garden of donated materials and amenities.
- Continue the restoration process in the historic sections of the cemetery.
- Continue to audit and verify cemetery plot owners.
- Maintain cemetery records in the **City's Electronic Document** Management System.

**Financial Stability**

- Ensure the cemetery is managed in a responsible manner and explore options to make the operation more cost effective.

**BUDGET HIGHLIGHTS**

**2013-2014 Reductions and Efficiencies**

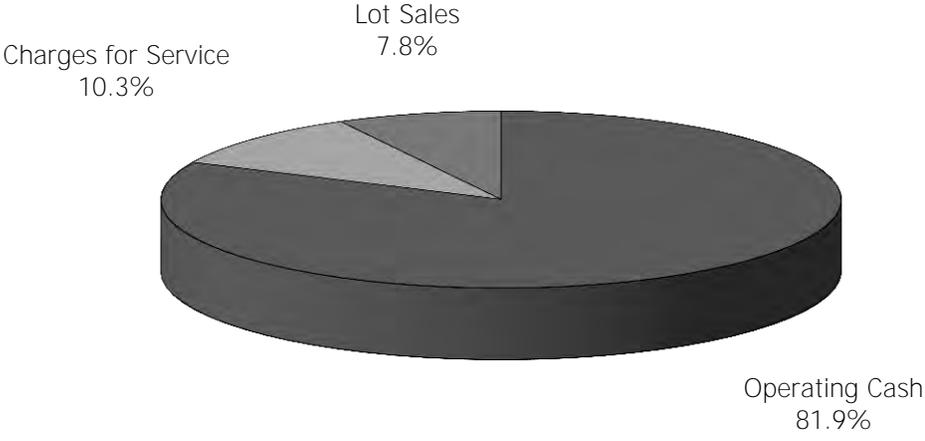
- Begin studying the feasibility of outsourcing cemetery administration and operations to a private provider to determine if the same or better level of service can be provided at a lower cost.

**2013-2014 Additions**

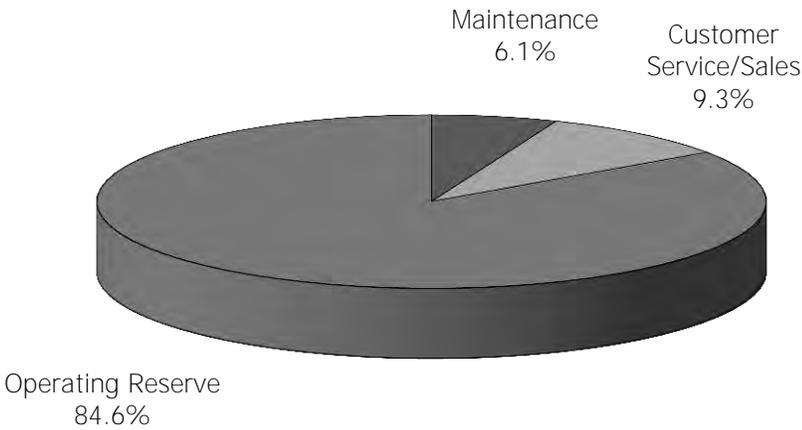
- Transfer cemetery administrative costs from the General Fund to the Cemetery Operating fund - \$39,120.

# 2013-2014 BUDGET CEMETERY OPERATING FUND

## Sources of Funds



## Uses of Funds



**2013 - 2014 FINANCIAL OVERVIEW**

***CEMETERY OPERATING FUND***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | -                           | -                             | -                           | 6,000                       | n/a                       |
| Benefits            | -                           | -                             | -                           | -                           | n/a                       |
| Supplies            | 19,782                      | 25,847                        | 33,000                      | 33,000                      | 0.00%                     |
| Other Services      | 28,913                      | 45,487                        | 36,420                      | 76,773                      | 110.80%                   |
| Government Services | 63,218                      | 113,086                       | 113,130                     | 200                         | n/a                       |
| Capital Outlay      | 18,000                      | 12,000                        | 16,000                      | 9,600                       | -40.00%                   |
| Reserves            | -                           | -                             | 563,942                     | 690,735                     | 22.48%                    |
| <b>TOTAL</b>        | 129,913                     | 196,420                       | 762,492                     | 816,308                     | 7.06%                     |

**FINANCIAL SUMMARY BY DIVISION**

|                   | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|-------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Parks Maintenance | 27,637                      | 42,232                        | 43,798                      | 49,659                      | 13.38%                    |
| Customer Services | 102,276                     | 154,188                       | 718,694                     | 766,649                     | 6.67%                     |
| <b>TOTAL</b>      | 129,913                     | 196,420                       | 762,492                     | 816,308                     | 7.06%                     |

**POSITION SUMMARY BY DIVISION**

|                   | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|-------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Parks Maintenance | 0.00                        | 0.00               | 0.00                        | 0.00               | 0.00                        |
| Customer Services | 0.00                        | 0.00               | 0.00                        | 0.00               | 0.00                        |
| <b>TOTAL</b>      | 0.00                        | 0.00               | 0.00                        | 0.00               | 0.00                        |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|   |  | 2009 -2010 | 2011 - 2012 | 2011- 2012 | 2013 -2014 | Percent |
|---|--|------------|-------------|------------|------------|---------|
|   |  | Actual     | Estimate    | Budget     | Budget     | Change  |
| <b>Fund:</b>                                      | <b>Cemetery Operating (122)</b>        |            |             |            |            |         |
| <b>Department:</b>                                | <b>General</b>                         |            |             |            |            |         |
| <b>Division:</b>                                  | <b>Not Applicable</b>                  |            |             |            |            |         |
| <b>Key:</b>                                       | <b>Cemetery Operating (1220000000)</b> |            |             |            |            |         |
| <b>Charges for Goods and Services</b>             |  |            |             |            |            |         |
| Sale of Markers                                   | 3436001                                | 19,116     | 18,516      | 22,000     | 20,000     | -9.09%  |
| Marker Setting Fee                                | 3436002                                | 19,005     | 21,330      | 12,800     | 22,740     | 77.65%  |
| Open and Close                                    | 3436003                                | 84,355     | 84,884      | 27,200     | 41,200     | 51.47%  |
| Cemetery Liner Fee                                | 3436004                                | 2,140      | 250         | 4,000      | 0          | 0.00%   |
| Marker Engraving Fee                              | 3436005                                | 0          | 4,235       | 0          | 0          | 0.00%   |
| <b>Total for Charges for Goods and Services:</b>  |  | 124,616    | 129,215     | 66,000     | 83,940     | 27.18%  |
| <b>Miscellaneous Revenues</b>                     |  |            |             |            |            |         |
| Investment Interest                               | 3611101                                | 0          | 9,166       | 0          | 5,754      | 0.00%   |
| Housing Rental Leases                             | 3626001                                | 8,050      | 8,625       | 13,800     | 0          | 0.00%   |
| <b>Total for Miscellaneous Revenues:</b>          |  | 8,050      | 17,791      | 13,800     | 5,754      | -58.30% |
| <b>Other Financing Sources</b>                    |  |            |             |            |            |         |
| Proceeds Sales of Fixed Assets                    | 3951001                                | 17,741     | 73,336      | 44,000     | 64,000     | 45.45%  |
| Resources Forward                                 | 3999901                                | 0          | 638,692     | 638,692    | 662,614    | 3.74%   |
| <b>Total for Other Financing Sources:</b>         |  | 17,741     | 712,028     | 682,692    | 726,614    | 6.43%   |
| <b>Total for Cemetery Operating (1220000000):</b> |  | 150,407    | 859,034     | 762,492    | 816,308    | 7.05%   |
| <b>Total for Not Applicable:</b>                  |  | 150,407    | 859,034     | 762,492    | 816,308    | 7.05%   |
| <b>Total for General:</b>                         |  | 150,407    | 859,034     | 762,492    | 816,308    | 7.05%   |
| <b>Total for Cemetery Operating:</b>              |  | 150,407    | 859,034     | 762,492    | 816,308    | 7.05%   |

Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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## PARKS MAINTENANCE FUND

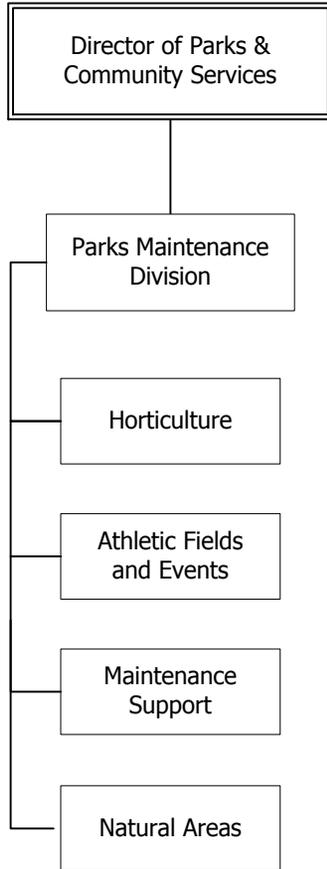
The Parks Maintenance Fund accounts for the maintenance and operation of park properties acquired and/or developed with a park bond passed in November 2002. The primary source of revenue is from a special property tax levy approved in November 2002.



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**CITY OF KIRKLAND**  
**Parks & Community Services Department**

Parks Maintenance Fund



*Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.*



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**DEPARTMENT OVERVIEW**

***PARKS MAINTENANCE FUND***

**MISSION**

To operate and maintain park facilities funded from the voter-approved 2002 park bond and levy, including Juanita Beach Park, Carillon Woods, North Rose Woodlands Park, and select Lake Washington School District school playfields.

**DEPARTMENT FUNCTIONS**

The **Parks Maintenance Fund** accounts for the maintenance and operation of properties acquired and/or developed as a result of a parks bond approved by voters in November 2002. These properties and projects include future park land purchased with the Acquisition Opportunity Fund, and the City-School Partnership program which encompasses school playfield improvements, maintenance, and scheduling administration. The maintenance and operating costs are funded by a special property tax levy approved by the voters in November 2002.

This fund accounts for irrigation installations, dock and boat launch repairs, athletic field renovations, ball field maintenance and scheduling, park rentals, and other repair and construction projects of these properties.

**RELATIONSHIP TO COUNCIL GOALS**

**Parks, Open Spaces and Recreational Services**

- Continue partnership with Lake Washington School District to maximize community use of school facilities and to support community recreation.
- Maintain improvements associated with renovation of Juanita Beach Park.
- Continue to partner with community when various volunteer opportunities arise.

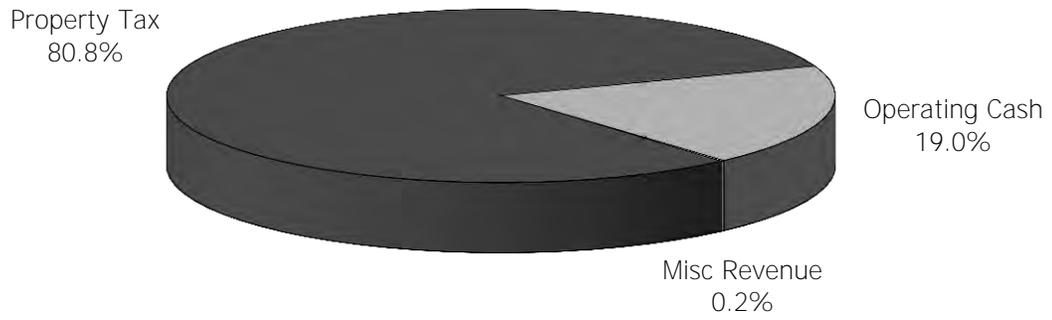
**BUDGET HIGHLIGHTS**

**2013-2014 Reductions and Efficiencies**

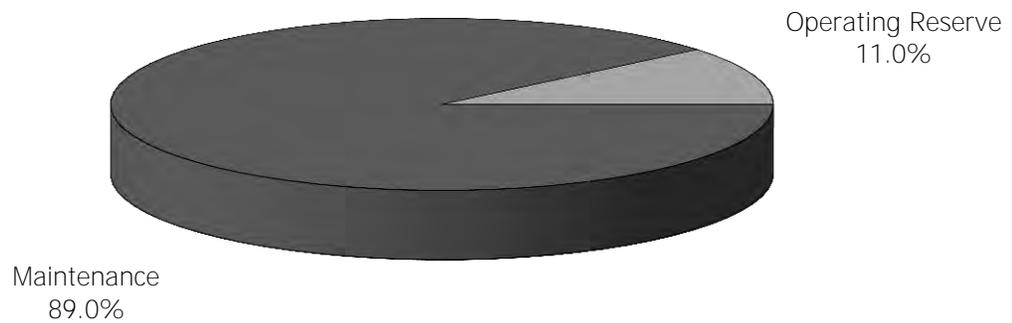
- Eliminate the 1.0 FTE Field Arborist in Parks Maintenance and fund one-time with REET flexibility funds - \$190,040.

# 2013-2014 BUDGET PARKS MAINTENANCE FUND

## Sources of Funds



## Uses of Funds



**2013 - 2014 FINANCIAL OVERVIEW**

***PARKS MAINTENANCE FUND***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 840,574                     | 980,488                       | 1,042,546                   | 1,156,140                   | 10.90%                    |
| Benefits            | 383,507                     | 585,345                       | 545,333                     | 624,875                     | 14.59%                    |
| Supplies            | 67,087                      | 110,467                       | 118,460                     | 147,840                     | 24.80%                    |
| Other Services      | 472,331                     | 561,999                       | 601,113                     | 793,572                     | 32.02%                    |
| Government Services | 574                         | 2,686                         | 4,700                       | 1,700                       | -63.83%                   |
| Capital Outlay      | -                           | -                             | -                           | -                           | n/a                       |
| Reserves            | -                           | -                             | 276,183                     | 336,522                     | 21.85%                    |
| <b>TOTAL</b>        | <b>1,764,073</b>            | <b>2,240,985</b>              | <b>2,588,335</b>            | <b>3,060,649</b>            | <b>18.25%</b>             |

**FINANCIAL SUMMARY BY DIVISION**

|                   | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|-------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Parks Maintenance | 1,764,073                   | 2,240,985                     | 2,588,335                   | 3,060,649                   | 18.25%                    |
| <b>TOTAL</b>      | <b>1,764,073</b>            | <b>2,240,985</b>              | <b>2,588,335</b>            | <b>3,060,649</b>            | <b>18.25%</b>             |

**POSITION SUMMARY BY DIVISION**

|                   | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|-------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Parks Maintenance | 7.50                        | 2.75               | 10.25                       | -1.00              | 9.25                        |
| <b>TOTAL</b>      | <b>7.50</b>                 | <b>2.75</b>        | <b>10.25</b>                | <b>-1.00</b>       | <b>9.25</b>                 |

2013-2014 POSITION SUMMARY

***PARKS MAINTENANCE FUND***

**POSITION SUMMARY BY CLASSIFICATION**

| <u>Classification</u>    | <u>2011-2012<br/>Positions</u> | <u>Budget<br/>Reductions</u> | <u>Service<br/>Packages</u> | <u>2013-2014<br/>Positions</u> | <u>Budgeted 2013<br/>Salary Range</u> |
|--------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Leadperson               | 2.00                           |                              |                             | 2.00                           | 5,100 - 6,154                         |
| Field Arborist           | 1.00                           | (1.00)                       |                             | 0.00                           | 4,386 - 5,666                         |
| Groundsperson            | 6.00                           |                              |                             | 6.00                           | 3,368 - 4,632                         |
| Parks Accounts Associate | 0.50                           |                              |                             | 0.50                           | 3,834 - 4,511                         |
| Office Technician        | 0.75                           |                              |                             | 0.75                           | 3,501 - 4,119                         |
| <b>TOTAL</b>             | 10.25                          | (1.00)                       | 0.00                        | 9.25                           |                                       |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|   |  | 2009 -2010 | 2011 - 2012 | 2011- 2012 | 2013 -2014 | Percent |
|---|--|------------|-------------|------------|------------|---------|
|   |  | Actual     | Estimate    | Budget     | Budget     | Change  |
| <b>Fund:</b>  | <b>Parks Maintenance Fund (125)</b>        |            |             |            |            |         |
| <b>Department:</b>                                    | <b>General</b>                             |            |             |            |            |         |
| <b>Division:</b>                                      | <b>Not Applicable</b>                      |            |             |            |            |         |
| <b>Key:</b>   | <b>Parks Maintenance Fund (1250000000)</b> |            |             |            |            |         |
| <b>Taxes</b>  |  |            |             |            |            |         |
| Property Tax-Real & Personal                          | 3111001                                    | 0          | -6,335      | 0          | 0          | 0.00%   |
| Property Tax - Parks M&O Levy                         | 3111002                                    | 1,641,732  | 2,173,150   | 2,040,565  | 2,474,910  | 21.28%  |
| <b>Total for Taxes:</b>                               |  | 1,641,732  | 2,166,815   | 2,040,565  | 2,474,910  | 21.28%  |
| <b>Miscellaneous Revenues</b>                         |  |            |             |            |            |         |
| Park Facility Rentals                                 | 3624005                                    | 20,077     | 5,989       | 22,900     | 4,800      | -79.03% |
| <b>Total for Miscellaneous Revenues:</b>              |  | 20,077     | 5,989       | 22,900     | 4,800      | -79.03% |
| <b>Other Financing Sources</b>                        |  |            |             |            |            |         |
| Operating Transfer In                                 | 3971001                                    | 50,000     | 28,270      | 28,270     | 0          | 0.00%   |
| Resources Forward                                     | 3999901                                    | 0          | 496,600     | 496,600    | 580,939    | 16.98%  |
| <b>Total for Other Financing Sources:</b>             |  | 50,000     | 524,870     | 524,870    | 580,939    | 10.68%  |
| <b>Total for Parks Maintenance Fund (1250000000):</b> |  | 1,711,809  | 2,697,674   | 2,588,335  | 3,060,649  | 18.24%  |
| <b>Total for Not Applicable:</b>                      |  | 1,711,809  | 2,697,674   | 2,588,335  | 3,060,649  | 18.24%  |
| <b>Total for General:</b>                             |  | 1,711,809  | 2,697,674   | 2,588,335  | 3,060,649  | 18.24%  |
| <b>Total for Parks Maintenance Fund:</b>              |  | 1,711,809  | 2,697,674   | 2,588,335  | 3,060,649  | 18.24%  |



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Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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## 2012 PARKS LEVY FUND

The Parks Levy Fund accounts for the maintenance and operation of park properties acquired and/or developed with the revenues from the 2012 Park Levy – Proposition No. 2: Levy for City parks maintenance, restoration, and enhancement.



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## DEPARTMENT OVERVIEW

# ***2012 PARKS LEVY FUND***

## MISSION

To restore and enhance funding for park maintenance and beach lifeguards and to maintain, renovate and enhance docks, park facilities, trails and playfields and to acquire park land and open space.

## DEPARTMENT FUNCTIONS

The **2012 Parks Levy Fund** accounts for the proceeds of parks levy approved by voters in November 2012. The levy restores maintenance and beach lifeguard services at Houghton, Waverly and Juanita beaches and restores maintenance at neighborhood parks including restroom operations and repairs. The levy also provides for maintenance of O.O. Denny Park, the Cross Kirkland Corridor and provides ongoing funding for the Green Kirkland Partnership. The levy includes annual capital funding for restoration of docks and park facilities, playfields and open space acquisition.

## RELATIONSHIP TO COUNCIL GOALS

### Balanced Transportation

- Provide for maintenance and development of the Cross Kirkland Corridor for pedestrian and bicycle mobility and potential future light rail or transit service.

### Parks, Open Spaces and Recreational Services

- Enhance partnership with Lake Washington School District to maximize community use of school facilities and to support community recreation.
- Restore maintenance to existing neighborhood and community parks and provide maintenance for new facilities including the Cross Kirkland Corridor and O.O. Denny Park.
- Provide for renovation of existing parks facilities, docks, shorelines and trails and the acquisition of new park land.

### Financial Stability

- Provide new ongoing revenue to support ongoing levels of service.

### Environment

- Provide ongoing funding for the Green Kirkland Partnership to continue reforestation efforts in parks and natural areas.

## BUDGET HIGHLIGHTS

### 2013-2014 Additions

- Add 2.5 FTE to restore parks maintenance and operations to previous levels - \$1,111,575.
- Provide lifeguard services at Houghton Beach Park, Waverly Beach Park and Juanita Beach Park - \$203,182.
- Add 3.0 FTE for the Green Kirkland Partnership to continue reforestation efforts - \$712,484.
- Add 1.0 FTE to provide maintenance at O.O. Denny Park - \$261,181.
- Add 0.75 FTE for maintenance on the Cross Kirkland Corridor - \$197,669.
- Add \$1.25 million per year for parks capital improvements and land acquisition. Projects planned for 2013 and 2014 include:
  - Neighborhood Park Land Acquisition - \$850,000
  - Waverly Beach Park Renovation - \$500,000
  - Cross Kirkland Corridor Master Plan - \$500,000
  - Dock and Shoreline Restoration - \$300,000
  - Edith Moulton Park Renovation - \$200,000
- Add \$11,620 for maintenance and operations at Edith Moulton Park Renovation (\$5,660) and City-School Partnership Projects (\$5,960).



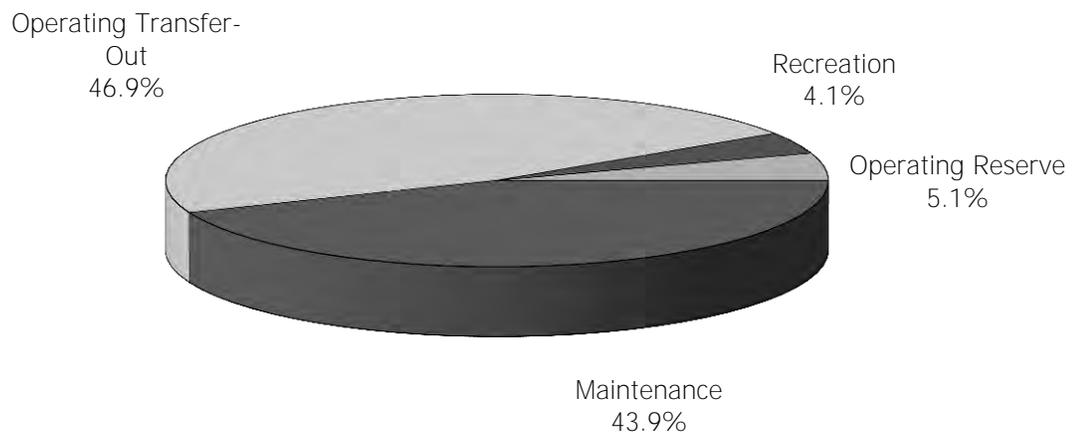
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# 2013-2014 BUDGET 2012 PARKS LEVY FUND

## Sources of Funds



## Uses of Funds





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**2013 - 2014 FINANCIAL OVERVIEW**

***2012 PARKS LEVY FUND***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <u>2009-2010<br/>Actual</u> | <u>2011-2012<br/>Estimate</u> | <u>2011-2012<br/>Budget</u> | <u>2013-2014<br/>Budget</u> | <u>Percent<br/>Change</u> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | -                           | -                             | -                           | 1,165,614                   | n/a                       |
| Benefits            | -                           | -                             | -                           | 573,674                     | n/a                       |
| Supplies            | -                           | -                             | -                           | 129,140                     | n/a                       |
| Other Services      | -                           | -                             | -                           | 532,135                     | n/a                       |
| Government Services | -                           | -                             | -                           | 2,350,000                   | n/a                       |
| Capital Outlay      | -                           | -                             | -                           | -                           | n/a                       |
| Reserves            | -                           | -                             | -                           | 255,514                     | n/a                       |
| <b>TOTAL</b>        | -                           | -                             | -                           | 5,006,077                   | n/a                       |

**FINANCIAL SUMMARY BY DIVISION**

|                    | <u>2009-2010<br/>Actual</u> | <u>2011-2012<br/>Estimate</u> | <u>2011-2012<br/>Budget</u> | <u>2013-2014<br/>Budget</u> | <u>Percent<br/>Change</u> |
|--------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Parks Maintenance  | -                           | -                             | -                           | 4,802,895                   |                           |
| Community Services | -                           | -                             | -                           | 203,182                     | n/a                       |
| <b>TOTAL</b>       | -                           | -                             | -                           | 5,006,077                   | n/a                       |

**POSITION SUMMARY BY DIVISION**

|                    | <u>2009-2010<br/>Actual</u> | <u>Adjustments</u> | <u>2011-2012<br/>Budget</u> | <u>Adjustments</u> | <u>2013-2014<br/>Budget</u> |
|--------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Parks Maintenance  | 0.00                        | 0.00               | 0.00                        | 7.25               | 7.25                        |
| Community Services | 0.00                        | 0.00               | 0.00                        | 0.00               | 0.00                        |
| <b>TOTAL</b>       | 0.00                        | 0.00               | 0.00                        | 7.25               | 7.25                        |

**2013-2014 POSITION SUMMARY**

***2012 PARKS LEVY FUND***

**POSITION SUMMARY BY CLASSIFICATION**

| <u>Classification</u>                 | <u>2011-2012<br/>Positions</u> | <u>Budget<br/>Reductions</u> | <u>Service<br/>Packages</u> | <u>2013-2014<br/>Positions</u> | <u>Budgeted 2013<br/>Salary Range</u> |
|---------------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Parks Maintenance Supervisor          | 0.00                           |                              | 1.00                        | 1.00                           | 5,178 - 6,682                         |
| Environ. Education & Outreach Spclst. | 0.00                           |                              | 1.00                        | 1.00                           | 5,332 - 6,274                         |
| Senior Groundsperson                  | 0.00                           |                              | 1.00                        | 1.00                           | 4,279 - 5,527                         |
| Groundsperson                         | 0.00                           |                              | 3.25                        | 3.25                           | 3,368 - 4,632                         |
| Office Technician                     | 0.00                           |                              | 1.00                        | 1.00                           | 3,501 - 4,119                         |
| <b>TOTAL</b>                          | 0.00                           | 0.00                         | 7.25                        | 7.25                           |                                       |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|  |                                     | 2009 -2010<br>Actual | 2011 - 2012<br>Estimate | 2011- 2012<br>Budget | 2013 -2014<br>Budget | Percent<br>Change |
|--|-------------------------------------|----------------------|-------------------------|----------------------|----------------------|-------------------|
| <b>Fund:</b>                                     | <b>2012 Parks Levy (128)</b>        |                      |                         |                      |                      |                   |
| <b>Department:</b>                               | <b>General</b>                      |                      |                         |                      |                      |                   |
| <b>Division:</b>                                 | <b>Not Applicable</b>               |                      |                         |                      |                      |                   |
| <b>Key:</b>                                      | <b>2012 Parks Levy (1280000000)</b> |                      |                         |                      |                      |                   |
| <b>Taxes</b>                                     |                                     |                      |                         |                      |                      |                   |
| Property Tax 2012 Park Levy                      | 3111006                             | 0                    | 0                       | 0                    | 4,606,077            | 0.00%             |
| <b>Total for Taxes:</b>                          |                                     | 0                    | 0                       | 0                    | 4,606,077            | 0.00%             |
| <b>Charges for Goods and Services</b>            |                                     |                      |                         |                      |                      |                   |
| Interfund Svcs-Environmnt Svcs                   | 3497902                             | 0                    | 0                       | 0                    | 150,000              | 0.00%             |
| <b>Total for Charges for Goods and Services:</b> |                                     | 0                    | 0                       | 0                    | 150,000              | 0.00%             |
| <b>Other Financing Sources</b>                   |                                     |                      |                         |                      |                      |                   |
| Resources Forward                                | 3999901                             | 0                    | 0                       | 0                    | 250,000              | 0.00%             |
| <b>Total for Other Financing Sources:</b>        |                                     | 0                    | 0                       | 0                    | 250,000              | 0.00%             |
| <b>Total for 2012 Parks Levy (1280000000):</b>   |                                     | 0                    | 0                       | 0                    | 5,006,077            | 0.00%             |
| <b>Total for Not Applicable:</b>                 |                                     | 0                    | 0                       | 0                    | 5,006,077            | 0.00%             |
| <b>Total for General:</b>                        |                                     | 0                    | 0                       | 0                    | 5,006,077            | 0.00%             |
| <b>Total for 2012 Parks Levy:</b>                |                                     | 0                    | 0                       | 0                    | 5,006,077            | 0.00%             |



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Internal Service Funds account for the financing of goods and services provided by one department to other City departments on a cost reimbursement basis.

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## HEALTH BENEFITS FUND

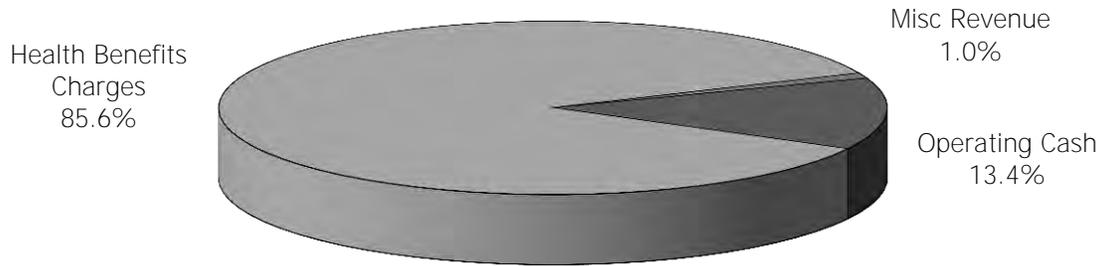
The Health Benefits Fund accounts for programs established to provide employee medical health care coverage. Medical premiums received by the fund are used to pay claims for employees participating in the City's self-insured health care program, purchase "stop-loss" coverage for individual and aggregate claims in excess of self-insured limits, and maintain reserves for the payment of future claims based on actuarial estimates. Employee dental and vision coverage is purchased from an outside carrier.



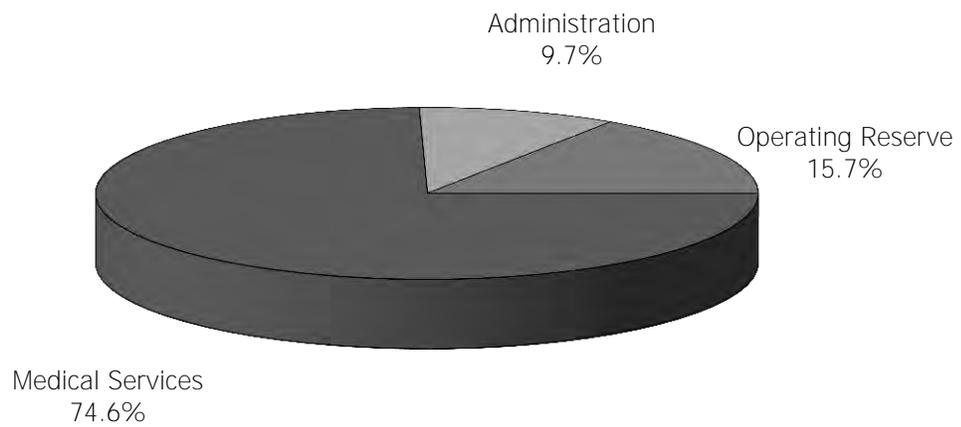
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# 2013-2014 BUDGET HEALTH BENEFITS FUND

## Sources of Funds



## Uses of Funds





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**2013 - 2014 FINANCIAL OVERVIEW**

***HEALTH BENEFITS FUND***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | -                           | -                             | -                           | -                           | n/a                       |
| Benefits            | -                           | 9,243                         | 11,433,462                  | -                           | n/a                       |
| Supplies            | -                           | -                             | -                           | -                           | n/a                       |
| Other Services      | -                           | 13,664,253                    | 2,377,757                   | 20,763,415                  | 773.24%                   |
| Government Services | -                           | 682                           | -                           | 2,000                       | n/a                       |
| Capital Outlay      | -                           | -                             | -                           | -                           | n/a                       |
| Reserves            | -                           | -                             | 1,924,472                   | 3,852,515                   | 100.19%                   |
| <b>TOTAL</b>        | -                           | 13,674,178                    | 15,735,691                  | 24,617,930                  | 56.45%                    |

**FINANCIAL SUMMARY BY DIVISION**

|                 | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|-----------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Health Benefits | -                           | 13,674,178                    | 15,735,691                  | 24,617,930                  | 56.45%                    |
| <b>TOTAL</b>    | -                           | 13,674,178                    | 15,735,691                  | 24,617,930                  | 56.45%                    |

**POSITION SUMMARY BY DIVISION**

|                 | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|-----------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Health Benefits | 0.00                        | 0.00               | 0.00                        | 0.00               | 0.00                        |
| <b>TOTAL</b>    | 0.00                        | 0.00               | 0.00                        | 0.00               | 0.00                        |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|  |   | 2009 -2010 | 2011 - 2012 | 2011- 2012 | 2013 -2014 | Percent |
|--|---|------------|-------------|------------|------------|---------|
|  |   | Actual     | Estimate    | Budget     | Budget     | Change  |
| <b>Fund:</b>                                       | <b>Health Benefits Fund (511)</b>       |            |             |            |            |         |
| <b>Department:</b>                                 | <b>General</b>                          |            |             |            |            |         |
| <b>Division:</b>                                   | <b>Not Applicable</b>                   |            |             |            |            |         |
| <b>Key:</b>  | <b>Health Benefits Fund (511000000)</b> |            |             |            |            |         |
| <b>Intergovernmental Revenue</b>                   |   |            |             |            |            |         |
| COBRA Payroll Tax Credit                           | 3322110                                 | 0          | 9,243       | 0          | 0          | 0.00%   |
| <b>Total for Intergovernmental Revenue:</b>        |   | 0          | 9,243       | 0          | 0          | 0.00%   |
| <b>Miscellaneous Revenues</b>                      |   |            |             |            |            |         |
| Investment Interest                                | 3611101                                 | 0          | 30,714      | 0          | 19,781     | 0.00%   |
| Interfund*Medical Cont ER                          | 3665001                                 | 0          | 1,281,042   | 15,735,691 | 1,430,000  | -90.91% |
| Contrib Rebates Prescription                       | 3671901                                 | 0          | 139,952     | 0          | 100,000    | 0.00%   |
| Stop Loss Rebate                                   | 3671902                                 | 0          | 266,978     | 0          | 0          | 0.00%   |
| Contrib Wellness                                   | 3671903                                 | 0          | 34,850      | 0          | 130,000    | 0.00%   |
| Medical Contributions EE                           | 3697201                                 | 0          | 13,881,146  | 0          | 18,000,000 | 0.00%   |
| Medical Cont Retiree                               | 3697202                                 | 0          | 1,327,942   | 0          | 1,641,000  | 0.00%   |
| <b>Total for Miscellaneous Revenues:</b>           |   | 0          | 16,962,624  | 15,735,691 | 21,320,781 | 35.49%  |
| <b>Other Financing Sources</b>                     |   |            |             |            |            |         |
| Resources Forward                                  | 3999901                                 | 0          | 0           | 0          | 3,297,149  | 0.00%   |
| <b>Total for Other Financing Sources:</b>          |   | 0          | 0           | 0          | 3,297,149  | 0.00%   |
| <b>Total for Health Benefits Fund (511000000):</b> |   | 0          | 16,971,867  | 15,735,691 | 24,617,930 | 56.44%  |
| <b>Total for Not Applicable:</b>                   |   | 0          | 16,971,867  | 15,735,691 | 24,617,930 | 56.44%  |
| <b>Total for General:</b>                          |   | 0          | 16,971,867  | 15,735,691 | 24,617,930 | 56.44%  |
| <b>Total for Health Benefits Fund:</b>             |   | 0          | 16,971,867  | 15,735,691 | 24,617,930 | 56.44%  |

Internal Service Funds account for the financing of goods and services provided by one department to other City departments on a cost reimbursement basis.

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## EQUIPMENT RENTAL FUND

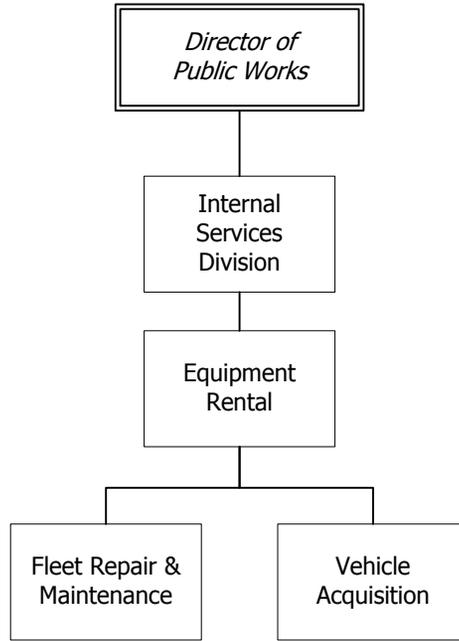
The Equipment Rental Fund accounts and assesses user charges for the cost of maintaining and replacing all City vehicles and heavy equipment.



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**CITY OF KIRKLAND**  
**Public Works Department**

Equipment Rental Fund



*Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.*

## DEPARTMENT OVERVIEW

# ***EQUIPMENT RENTAL FUND***

## MISSION

The Equipment Rental Fund is established to account for resources associated with providing safe, cost-effective vehicles and equipment to meet the operating needs of all City Departments.

## DEPARTMENT FUNCTIONS

The Public Works Department administers the Equipment Rental Fund. Within the Internal Services Division, the Fleet Management Group is responsible for efficient operations of the Fleet Maintenance shop, selection and coordination of outside vendors, repair maintenance, fueling systems, acquisition and resale of all vehicles, and provides cost-accounting, rate charge recommendations, and replacement schedules for the City's fleet. All operations and purchases include environmental considerations. The fund also provides resources for the City's 800 MHz radio program, providing for staff support as a member of the Eastside Public Safety and Communications Agency (EPSCA). The division also maintains 800MHz radio and antenna systems, coordinates vendor repairs, maintenance contracts, and establishes user rates.

## RELATIONSHIP TO COUNCIL GOALS

### Public Safety

- Provide and maintain an effective Police fleet to meet the needs of the Administration, Patrol, Investigations, K-9, Special Response, Traffic, Detention and Corrections, Parking Enforcement, and Crime Prevention Divisions.
- Provide and maintain an effective Fire and Building Fleet to meet the needs of the Administration, Operations, Fire Prevention, Training, Emergency Preparedness, and Building Divisions.
- Provide and maintain the 800MHz Eastside Public Safety Communications Agency (EPSCA) radios for the Police and Fire Departments.

### Parks, Open Spaces and Recreational Services

- Provide and maintain an effective Parks Fleet for the Maintenance, Recreation, and Cemetery Divisions.

### Environment

- Continue membership in the Evergreen Fleets (Puget Sound Clean Air) and adhere to guidelines.
- Continue to right-size fleet during vehicle replacement opportunities, and consider alternative fuels and fuel saving technologies when purchasing vehicles.
  - Current alternative fueled vehicles include: 22 hybrids, 5 scooters (100 mpg), 1 bio-diesel (B99), 1 neighborhood electric vehicle (NEV), and 2 propane.
  - Fleet shop has converted 2 propane and 1 bio-diesel walk behind commercial mowers.

### Dependable Infrastructure

- Provide and maintain an effective Public Works Maintenance Fleet for the Street (also including Public Grounds, Signals, and Signs), Water, Storm/Sewer, and Facilities Divisions.
- Provide and maintain an effective Public Works Engineering Fleet for the Development, Capital Projects, Transportation, and Surface Water (City Streets) Divisions.

## BUDGET HIGHLIGHTS

### 2013-2014 Reductions and Efficiencies

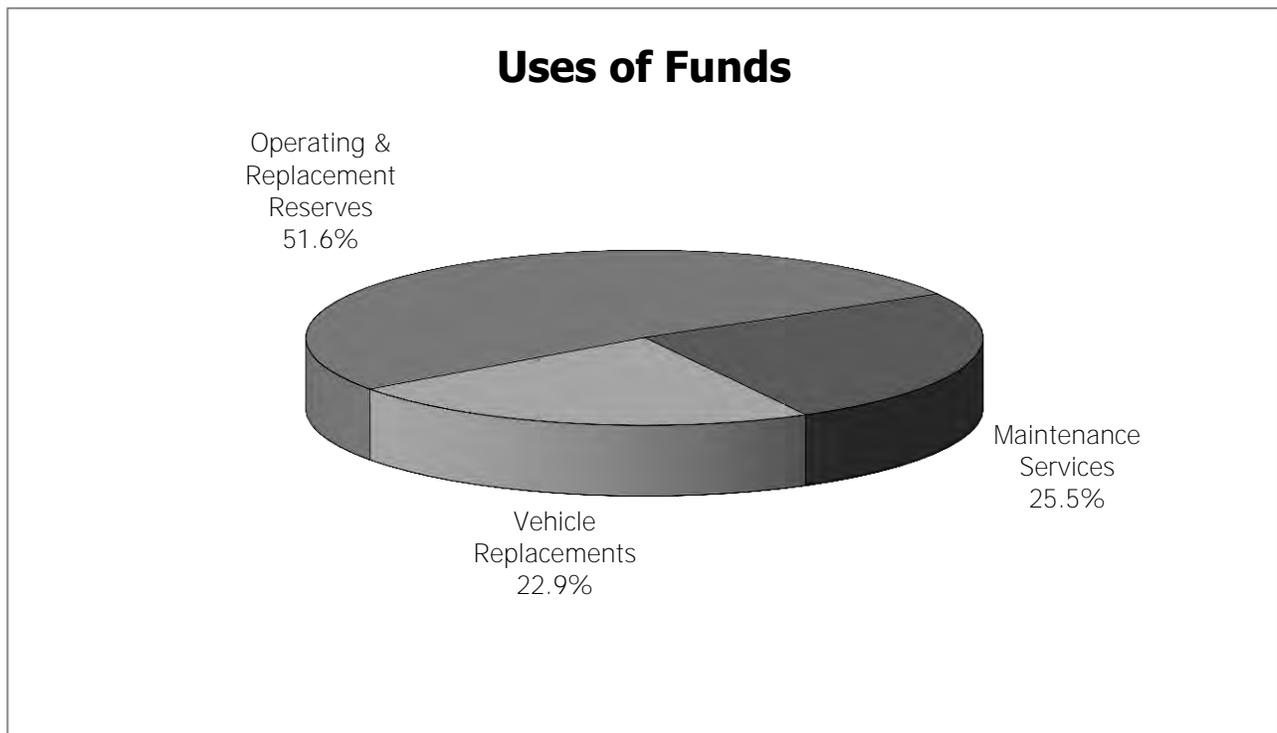
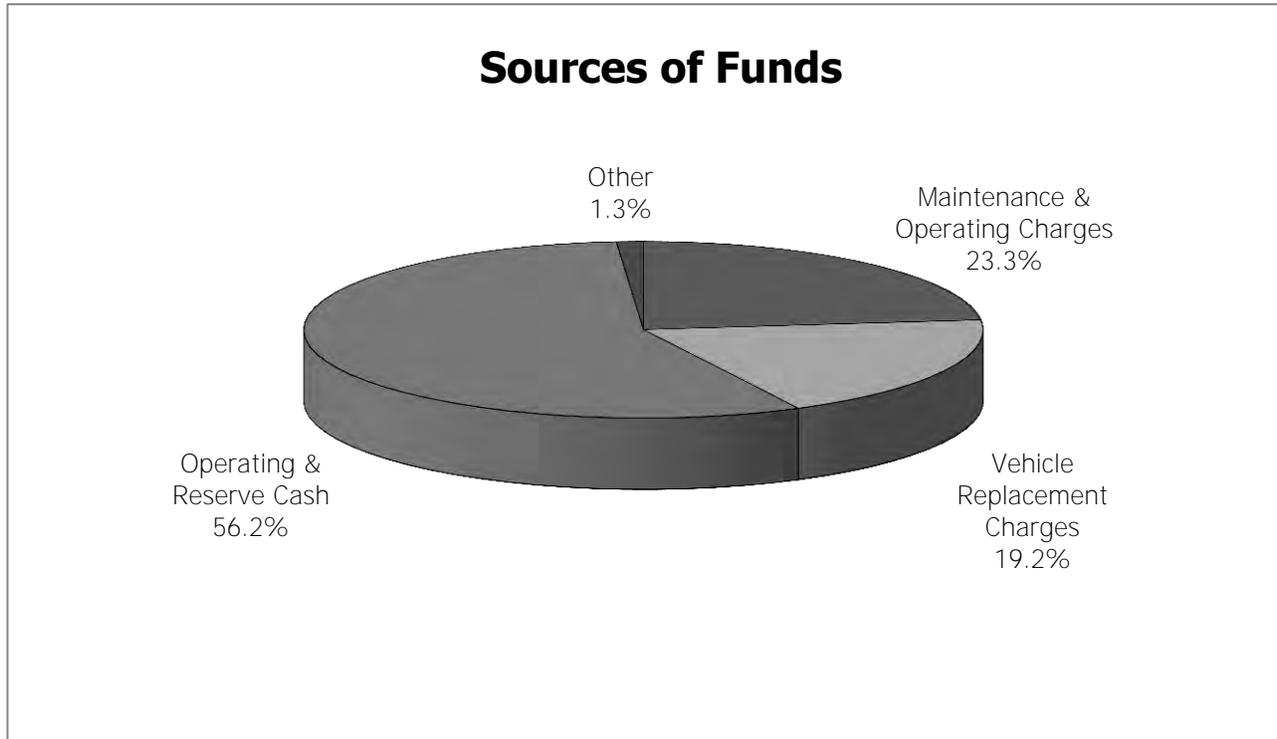
- Decrease shop repair funding based on quality of equipment condition - \$17,948.
- Conduct consistent parts review to identify lowest cost vendor or dealer.
- Cross-train all Technicians in all City Department vehicles and equipment.

- Purchase state-of-the-industry in-house diagnostic tools and equipment.
- Fully utilize all components of existing preventative maintenance scheduling software.
- Defer hiring 1.0 FTE Emergency Vehicle Technician.

**2013-2014 Additions**

- The addition of 43 new vehicles related to annexation positions results in line item increases to:
  - Vehicle fuel - \$567,432
  - Parts, tires, lubricants - \$89,950
  - Vehicle outside repairs - \$31,278
  - Insurance - \$54,000
- Increased EPSCA 800MHz Radio Access charges - \$21,229.
- Increase Good-to-Go funding to reflect I-520 bridge toll rates - \$10,800.

# 2013-2014 BUDGET EQUIPMENT RENTAL FUND



**2013 - 2014 FINANCIAL OVERVIEW**

***EQUIPMENT RENTAL FUND***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 862,275                     | 897,202                       | 980,535                     | 999,986                     | 1.98%                     |
| Benefits            | 321,480                     | 359,616                       | 434,533                     | 467,286                     | 7.54%                     |
| Supplies            | 1,232,869                   | 1,699,623                     | 1,481,015                   | 2,131,800                   | 43.94%                    |
| Other Services      | 823,623                     | 865,114                       | 845,733                     | 965,226                     | 14.13%                    |
| Government Services | 215,902                     | 215,216                       | 217,511                     | 244,027                     | 12.19%                    |
| Capital Outlay      | 1,794,460                   | 4,250,679                     | 5,763,373                   | 4,364,755                   | -24.27%                   |
| Reserves            | -                           | -                             | 9,432,924                   | 9,917,277                   | 5.13%                     |
| <b>TOTAL</b>        | 5,250,609                   | 8,287,450                     | 19,155,624                  | 19,090,357                  | -0.34%                    |

**FINANCIAL SUMMARY BY DIVISION**

|                  | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Fleet Management | 5,250,609                   | 8,287,450                     | 19,155,624                  | 19,090,357                  | -0.34%                    |
| <b>TOTAL</b>     | 5,250,609                   | 8,287,450                     | 19,155,624                  | 19,090,357                  | -0.34%                    |

**POSITION SUMMARY BY DIVISION**

|                  | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Fleet Management | 6.30                        | 1.00               | 7.30                        | 0.00               | 7.30                        |
| <b>TOTAL</b>     | 6.30                        | 1.00               | 7.30                        | 0.00               | 7.30                        |

**2013-2014 POSITION SUMMARY**

***EQUIPMENT RENTAL FUND***

**POSITION SUMMARY BY CLASSIFICATION**

| <b>Classification</b>           | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|---------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Internal Services Manager       | 0.30                           |                              |                             | 0.30                           | 6,645 - 8,575                         |
| Fleet Manager                   | 1.00                           |                              |                             | 1.00                           | 6,290 - 8,117                         |
| Mechanic I                      | 1.00                           |                              |                             | 1.00                           | 5,044 - 6,067                         |
| Emergency Vehicle Technician    | 4.00                           |                              |                             | 4.00                           | 4,429 - 5,949                         |
| Yard Maint. & Inventory Control | 1.00                           |                              |                             | 1.00                           | 4,279 - 5,527                         |
| Office Technician               | 0.00                           |                              |                             | 0.00                           | 3,501 - 4,119                         |
| <b>TOTAL</b>                    | 7.30                           | 0.00                         | 0.00                        | 7.30                           |                                       |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|  |                                     | 2009 -2010       | 2011 - 2012       | 2011- 2012        | 2013 -2014        | Percent        |
|--|-------------------------------------|------------------|-------------------|-------------------|-------------------|----------------|
|  |                                     | Actual           | Estimate          | Budget            | Budget            | Change         |
| <b>Fund:</b>                                     | <b>Fleet Services (521)</b>         |                  |                   |                   |                   |                |
| <b>Department:</b>                               | <b>General</b>                      |                  |                   |                   |                   |                |
| <b>Division:</b>                                 | <b>Not Applicable</b>               |                  |                   |                   |                   |                |
| <b>Key:</b>                                      | <b>Equipment Rental (521000000)</b> |                  |                   |                   |                   |                |
| <b>Intergovernmental Revenue</b>                 |                                     |                  |                   |                   |                   |                |
| Dept of Homeland Security                        | 3319703                             | 7,028            | 0                 | 0                 | 0                 | 0.00%          |
| Military Department                              | 3340180                             | 1,171            | 0                 | 0                 | 0                 | 0.00%          |
| ARRA Ind Fed DOE PSCCC                           | 3392810                             | 0                | 83,960            | 16,975            | 0                 | 0.00%          |
| ARRA Ind Fed DOE Fuel Tech                       | 3392811                             | 0                | 0                 | 67,000            | 0                 | 0.00%          |
| <b>Total for Intergovernmental Revenue:</b>      |                                     | <b>8,199</b>     | <b>83,960</b>     | <b>83,975</b>     | <b>0</b>          | <b>0.00%</b>   |
| <b>Total for Charges for Goods and Services:</b> |                                     | <b>0</b>         | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0.00%</b>   |
| <b>Miscellaneous Revenues</b>                    |                                     |                  |                   |                   |                   |                |
| Investment Interest                              | 3611101                             | 369,118          | 145,080           | 122,993           | 79,712            | -35.18%        |
| Other*Interest Earnings                          | 3619001                             | 0                | 364               | 0                 | 0                 | 0.00%          |
| Insur*Premiums Recoveries                        | 3639901                             | 0                | 0                 | 45,000            | 0                 | 0.00%          |
| Interfund Vehicle Rental                         | 3651001                             | 3,428,917        | 3,639,382         | 3,675,397         | 4,444,039         | 20.91%         |
| Replacement Reserve                              | 3651002                             | 2,278,894        | 2,672,307         | 2,749,046         | 3,364,276         | 22.37%         |
| Interfund Radio Rental                           | 3651004                             | 212,116          | 213,823           | 272,447           | 244,023           | -10.43%        |
| Interfund Radio Repair                           | 3651005                             | 75,726           | 59,547            | 70,017            | 59,548            | -14.95%        |
| Other Judgements Settlements                     | 3694001                             | 0                | 286               | 0                 | 0                 | 0.00%          |
| Other Misc Revenue                               | 3699001                             | 17,958           | 52,713            | 34,857            | 16,000            | -54.09%        |
| <b>Total for Miscellaneous Revenues:</b>         |                                     | <b>6,382,729</b> | <b>6,783,502</b>  | <b>6,969,757</b>  | <b>8,207,598</b>  | <b>17.76%</b>  |
| <b>Proprietary Other Income</b>                  |                                     |                  |                   |                   |                   |                |
| Insur Recovery Prop IntSvc                       | 3720001                             | 187,164          | 94,105            | 0                 | 60,000            | 0.00%          |
| <b>Total for Proprietary Other Income:</b>       |                                     | <b>187,164</b>   | <b>94,105</b>     | <b>0</b>          | <b>60,000</b>     | <b>0.00%</b>   |
| <b>Other Financing Sources</b>                   |                                     |                  |                   |                   |                   |                |
| Proceeds Sales of Fixed Assets                   | 3951001                             | 132,843          | 175,482           | 211,700           | 88,300            | -58.29%        |
| Operating Transfer In                            | 3971001                             | 204,353          | 2,808,832         | 3,167,687         | 353,523           | -88.83%        |
| Resources Forward                                | 3999901                             | 0                | 1,470,232         | 1,470,232         | 1,730,762         | 17.72%         |
| Resources Forward - Reserve                      | 3999902                             | 0                | 7,252,273         | 7,252,273         | 8,650,174         | 19.27%         |
| <b>Total for Other Financing Sources:</b>        |                                     | <b>337,196</b>   | <b>11,706,819</b> | <b>12,101,892</b> | <b>10,822,759</b> | <b>-10.56%</b> |
| <b>Total for Equipment Rental (521000000):</b>   |                                     | <b>6,915,288</b> | <b>18,668,386</b> | <b>19,155,624</b> | <b>19,090,357</b> | <b>-0.34%</b>  |
| <b>Total for Not Applicable:</b>                 |                                     | <b>6,915,288</b> | <b>18,668,386</b> | <b>19,155,624</b> | <b>19,090,357</b> | <b>-0.34%</b>  |
| <b>Total for General:</b>                        |                                     | <b>6,915,288</b> | <b>18,668,386</b> | <b>19,155,624</b> | <b>19,090,357</b> | <b>-0.34%</b>  |
| <b>Total for Fleet Services:</b>                 |                                     | <b>6,915,288</b> | <b>18,668,386</b> | <b>19,155,624</b> | <b>19,090,357</b> | <b>-0.34%</b>  |

**CITY OF KIRKLAND**

# ***EQUIPMENT RENTAL CAPITAL REPLACEMENT***

Included in this section are three summary charts - one listing the vehicles costing \$50,000 or more to be replaced over the six-year period of 2013–2018, and the second and third charts listing all vehicle replacements, regardless of cost, for 2013 and 2014, respectively.

The vehicles planned for replacement costing \$50,000 or more are subject to the same process as the entire fleet with respect to replacement standards. In June of each year, each vehicle whose normal accounting life expires in the coming five budget years is examined to determine if extending its service life is financially sound. Considerations include engine hours, mileage, maintenance history, structural wear, declining resale value, and future intended use of the proposed replacement vehicle. **If a determination is made that a vehicle is to be replaced, "right-sizing" of the vehicle for its intended use will be conducted. A vehicle will be replaced in kind or "right-sized" if possible (at a lesser cost).** Upgraded vehicles for specific functions will require an approved service package in an amount covering the difference **between the replaced vehicle's** replacement reserve account and the cost of the proposed replacement vehicle.

Savings are incurred when the operational life of vehicles can be extended beyond their normal accounting life. This is usually due to low engine hours, mileage, or major repairs that have been performed to the vehicle. The vehicles on the six-year schedule that are measured by engine hours have their replacement reserve based on these hours. If a vehicle has reached its normal accounting life but not the original estimated engine hours, the useful life of that vehicle may be extended.

There are twelve vehicles costing in excess of \$50,000 currently scheduled for replacement in 2013. Fire is replacing a 1995 pumper (F609) at the end of its normal accounting life of 18 years. Parks is replacing three small 2-3 yard dumptrucks (F-14, F-15, and F16) and one wide area mower (M-3B), all of which were extended one year beyond their normal accounting life due to good condition. In addition, Parks will also be replacing two mowers (M-9A and M-10), and one ballfield tractor (TR-10) which have attained their normal accounting life. Public Works will be replacing four vehicles costing in excess of \$50,000. One of the four, U-05 (a utility truck) was extended four years beyond its normal accounting life due to good condition. The three other Public Works vehicles, which will be replaced on schedule, are a 10-yard dumptruck (D-08), a backhoe (TR-07A), and a utility truck with crane (U-7). The extension of operational use for each of these vehicles has been noted in the Comments section of the first chart.

For 2014, there are five vehicles over \$50,000. Four are being replaced on schedule at the end of their normal accounting life. Fire has one command vehicle (F213) and two aid cars (F314 and F315). Public Works has one cabover dump body (F-17), and one walk-in utility truck (U-08) which has been extended 1 year.

**City of Kirkland  
2013-2018 Capital Improvement Program  
Vehicle Replacements Over \$50,000**

**Fire & Building**

| Vehicle                                   | Year / Description                      | Acct Life | Normal Replacement Date | Planned Replacement Year and Cost |                |                  |                |                | Six Year Total Cost | Comments         |             |
|---|---|-----------|-------------------------|-----------------------------------|----------------|------------------|----------------|----------------|---------------------|------------------|-------------|
|   |   |           |                         | 2013                              | 2014           | 2015             | 2016           | 2017           |                     |                  | 2018        |
| F609                                      | 1995 / Seagrave Pumper                  | 18        | 6/1/2013                | 601,955                           |                |                  |                |                |                     | 601,955          | On schedule |
| F213                                      | 2006 / Chevrolet Suburban Command       | 8         | 6/1/2014                |                                   | 74,192         |                  |                |                |                     | 74,192           | On schedule |
| F314                                      | 2006 / Ford Road Rescue Aid Vehicle     | 8         | 6/1/2014                |                                   | 210,682        |                  |                |                |                     | 210,682          | On schedule |
| F315                                      | 2006 / Ford Road Rescue Aid Vehicle     | 8         | 6/1/2014                |                                   | 210,682        |                  |                |                |                     | 210,682          | On schedule |
| F316                                      | 2007 / Ford Road Rescue Aid Vehicle     | 8         | 6/1/2015                |                                   |                | 218,000          |                |                |                     | 218,000          | On schedule |
| F506                                      | 1997 / Simon-LTI Tillered Aerial Ladder | 18        | 6/1/2015                |                                   |                | 1,163,314        |                |                |                     | 1,163,314        | On schedule |
| F216                                      | 2008 / Chevrolet Suburban Command       | 8         | 6/1/2016                |                                   |                |                  | 84,439         |                |                     | 84,439           | On schedule |
| F317                                      | 2008 / Ford Road Rescue Aid Vehicle     | 8         | 6/1/2016                |                                   |                |                  | 225,630        |                |                     | 225,630          | On schedule |
| F218                                      | 2009 / Ford F250 Ext. Cab. Custom       | 8         | 6/1/2017                |                                   |                |                  |                | 57,716         |                     | 57,716           | On schedule |
| F610                                      | 1999 / H&W Spartan Pumper               | 18        | 6/1/2017                |                                   |                |                  |                | 690,757        |                     | 690,757          | On schedule |
| F318                                      | 2010 / Ford Road Rescue Aid Vehicle     | 8         | 6/1/2018                |                                   |                |                  |                |                | 241,700             | 241,700          | On schedule |
| F219                                      | 2010 / Chevrolet Suburban Command       | 8         | 6/1/2018                |                                   |                |                  |                |                | 90,453              | 90,453           | On schedule |
| <b>Total Fire &amp; Building Vehicles</b> |   |           |                         | <b>601,955</b>                    | <b>495,556</b> | <b>1,381,314</b> | <b>310,069</b> | <b>748,473</b> | <b>332,153</b>      | <b>3,869,520</b> |             |

**Parks & Community Services**

| Vehicle  | Year / Description                  | Acct Life | Normal Replacement Date | Planned Replacement Year and Cost |          |               |          |                | Six Year Total Cost | Comments       |                                   |
|--|-------------------------------------|-----------|-------------------------|-----------------------------------|----------|---------------|----------|----------------|---------------------|----------------|-----------------------------------|
|  |                                     |           |                         | 2013                              | 2014     | 2015          | 2016     | 2017           |                     |                | 2018                              |
| F-14   | 2004 / Ford F450 2/3 Yard Dump Body | 8         | 6/1/2012                | 55,776                            |          |               |          |                |                     | 55,776         | Extended One Year, Good Condition |
| F-15   | 2004 / Ford F450 2/3 Yard Dump Body | 8         | 6/1/2012                | 55,776                            |          |               |          |                |                     | 55,776         | Extended One Year, Good Condition |
| F-16   | 2004 / Ford F450 2/3 Yard Dump Body | 8         | 6/1/2012                | 55,776                            |          |               |          |                |                     | 55,776         | Extended One Year, Good Condition |
| M-3B   | 2007 / Jacobsen 16' Wide Area Mower | 5         | 6/1/2012                | 91,537                            |          |               |          |                |                     | 91,537         | Extended One Year, Good Condition |
| M-9A   | 2007 / Toro Groundsmaster 4500D     | 6         | 6/1/2013                | 60,165                            |          |               |          |                |                     | 60,165         | On schedule                       |
| M-10   | 2008 / Jacobsen 16' Wide Area Mower | 5         | 6/1/2013                | 60,013                            |          |               |          |                |                     | 60,013         | On schedule                       |
| TR-10  | 2003 / Ford Ballfield Tractor       | 10        | 6/1/2013                | 52,836                            |          |               |          |                |                     | 52,836         | On schedule                       |
| F-20   | 2008 / Ford F450 2/3 Yard Dump Body | 8         | 6/1/2015                |                                   |          | 56,599        |          |                |                     | 56,599         | On schedule                       |
| T-04   | 2007 / Aerotech Passenger Bus       | 10        | 6/1/2017                |                                   |          |               |          | 107,996        |                     | 107,996        | On schedule                       |
| <b>Total Parks &amp; Community Services Vehicles</b> |                                     |           |                         | <b>431,879</b>                    | <b>-</b> | <b>56,599</b> | <b>-</b> | <b>107,996</b> | <b>-</b>            | <b>596,474</b> |                                   |

**Police**

| Vehicle                      | Year / Description                    | Acct Life | Normal Replacement Date | Planned Replacement Year and Cost |          |               |          |          | Six Year Total Cost | Comments      |                                    |
|------------------------------|---------------------------------------|-----------|-------------------------|-----------------------------------|----------|---------------|----------|----------|---------------------|---------------|------------------------------------|
|                              |                                       |           |                         | 2013                              | 2014     | 2015          | 2016     | 2017     |                     |               | 2018                               |
| S06-09                       | 2006 / Dodge Sprinter Corrections Van | 5         | 6/1/2011                |                                   |          | 92,004        |          |          |                     | 92,004        | Extended Two Years, Good Condition |
| <b>Total Police Vehicles</b> |                                       |           |                         | <b>-</b>                          | <b>-</b> | <b>92,004</b> | <b>-</b> | <b>-</b> | <b>-</b>            | <b>92,004</b> |                                    |

**Public Works**

| Vehicle                            | Year / Description                       | Acct Life | Normal Replacement Date | Planned Replacement Year and Cost |                |          |                  |                | Six Year Total Cost | Comments         |                                       |
|------------------------------------|--|-----------|-------------------------|-----------------------------------|----------------|----------|------------------|----------------|---------------------|------------------|---------------------------------------|
|                                    |  |           |                         | 2013                              | 2014           | 2015     | 2016             | 2017           |                     |                  | 2018                                  |
| U-05                               | 2000 / Ford F450 Utility Truck           | 9         | 6/1/2009                | 58,563                            |                |          |                  |                |                     | 58,563           | Extended to 2013. Good condition.     |
| D-08                               | 2001 / International Dumptruck (10 Yard) | 12        | 6/1/2013                | 171,878                           |                |          |                  |                |                     | 171,878          | On schedule                           |
| TR-07A                             | 2003 / Case Backhoe 580SM (4x4)          | 10        | 6/1/2013                | 112,132                           |                |          |                  |                |                     | 112,132          | On schedule                           |
| U-07                               | 2003 / F450 XL Utility w/Crane           | 10        | 6/1/2013                | 86,636                            |                |          |                  |                |                     | 86,636           | On schedule                           |
| F-17                               | 2004 / UD Cabover Dump Body              | 10        | 6/1/2014                |                                   | 90,935         |          |                  |                |                     | 90,935           | On schedule                           |
| U-06                               | 2003 / F450 Walk-In Utility              | 10        | 6/1/2013                |                                   | 69,387         |          |                  |                |                     | 69,387           | Extended to 2014, due to type of use. |
| F-19                               | 2008 / Ford Flat Bed F350 w/crane        | 8         | 6/1/2016                |                                   |                |          | 68,282           |                |                     | 68,282           | On schedule                           |
| U-08                               | 2006 / International Bucket Truck        | 10        | 6/1/2016                |                                   |                |          | 227,229          |                |                     | 227,229          | On schedule                           |
| V-03                               | 2006 / International Aquatech Eductor    | 10        | 6/1/2016                |                                   |                |          | 385,882          |                |                     | 385,882          | On schedule                           |
| V-04                               | 2006 / International Aquatech Eductor    | 10        | 6/1/2016                |                                   |                |          | 385,882          |                |                     | 385,882          | On schedule                           |
| M-14                               | 2010 / John Deere Tiger Roadside Mower   | 7         | 6/1/2017                |                                   |                |          |                  | 116,971        |                     | 116,971          | On schedule                           |
| S-06                               | 2011 / Ford Tymco Sweeper                | 7         | 6/1/2018                |                                   |                |          |                  |                | 236,769             | 236,769          | On schedule                           |
| S-07                               | 2011 / Ford Tymco Sweeper                | 7         | 6/1/2018                |                                   |                |          |                  |                | 236,769             | 236,769          | On schedule                           |
| S-08                               | 2011 / Ford Tymco Sweeper                | 7         | 6/1/2018                |                                   |                |          |                  |                | 236,769             | 236,769          | On schedule                           |
| <b>Total Public Works Vehicles</b> |  |           |                         | <b>429,209</b>                    | <b>160,322</b> | <b>-</b> | <b>1,067,275</b> | <b>116,971</b> | <b>710,307</b>      | <b>2,484,084</b> |                                       |

|                           |  |  |  |                  |                |                  |                  |                |                  |                  |  |
|---------------------------|--|--|--|------------------|----------------|------------------|------------------|----------------|------------------|------------------|--|
| <b>Total All Vehicles</b> |  |  |  | <b>1,463,043</b> | <b>655,878</b> | <b>1,529,917</b> | <b>1,377,344</b> | <b>973,440</b> | <b>1,042,460</b> | <b>7,042,082</b> |  |
|---------------------------|--|--|--|------------------|----------------|------------------|------------------|----------------|------------------|------------------|--|

## City of Kirkland Vehicle Replacements for Year 2013

All Vehicles listed will be considered for replacement dependent upon their condition and replacement funding.

| Division                  | Vehicle | Year/Description                          | Acct Life | Normal Replacement Date | Replacement Cost | Comments          |
|---------------------------|---------|---|-----------|-------------------------|------------------|-------------------|
|                           |         | <b>Finance &amp; Administration</b>       |           |                         |                  |                   |
| Mail                      | C-07    | 2005 / Chevrolet Uplander Cargo Van       | 8         | 6/1/2013                | 21,433           | On schedule.      |
|                           |         | <b>Fire &amp; Building</b>                |           |                         |                  |                   |
| Operations                | F609    | 1995 / Seagrave Pumper                    | 18        | 6/1/2013                | 601,955          | On schedule.      |
| Prevention                | F210    | 2004 / Chevrolet Colorado Ext. Cab.       | 8         | 6/1/2012                | 24,618           | Extended 1 year.  |
| Prevention                | F211    | 2004 / Toyota Prius                       | 8         | 6/1/2012                | 22,250           | Extended 1 year.  |
| Training                  | F212    | 2004 / Ford F150 Crew Cab (4x4)           | 8         | 6/1/2012                | 42,619           | Extended 1 year.  |
|                           |         | <b>Information Technology</b>             |           |                         |                  |                   |
| Admin                     | PU-84X  | 1998 / Chevrolet Astro Cargo Van          | 10        | 6/1/2008                | 31,243           | Extended 5 years. |
|                           |         | <b>Parks</b>                              |           |                         |                  |                   |
| Bond Maint                | F-16    | 2004 / Ford F450 2/3 Yard Dump Body (4x2) | 8         | 6/12/2012               | 55,776           | On schedule       |
| Bond Maint                | M-10    | 2008 / Jacobsen 1600T Wide Area Mower     | 5         | 6/1/2013                | 60,013           | On schedule       |
| Bond Maint                | PU-34   | 2003 / Chevrolet HD 3/4 T Pickup          | 8         | 6/1/2011                | 28,529           | Extended 2 years. |
| Bond Maint                | PU-50   | 2004 / Chevrolet Silverado 1500 4x2       | 8         | 6/12/2012               | 24,108           | Extended 1 year.  |
| Bond Maint                | TL-22   | 2003 / Texas Bragg Trailer                | 10        | 6/1/2013                | 9,645            | On schedule.      |
| Bond Maint                | TR-09   | 2003 / John Deere 4710 Tractor            | 10        | 6/3/2013                | 35,790           | On schedule.      |
| Maintenance               | BG-8    | 2008 / John Deere 1200A Field Rake        | 4         | 6/1/2012                | 10,284           | Extended 1 year.  |
| Maintenance               | BG-9    | 2009 / John Deere HPX (4x4) Gator         | 4         | 6/1/2013                | 7,472            | On schedule.      |
| Maintenance               | F-14    | 2004 / Ford F450 2/3 Yard Dump Body (4x4) | 8         | 6/1/2012                | 55,776           | Extended 1 year.  |
| Maintenance               | F-15    | 2004 / Ford F350 2/3 Yard Dump Body       | 8         | 6/1/2012                | 55,776           | Extended 1 year.  |
| Maintenance               | M-3B    | 2007 / Jacobsen 16' Wide Area Mower       | 5         | 6/1/2012                | 91,537           | Extended 1 year.  |
| Maintenance               | M-9A    | 2007 / Toro Groundsmaster 4500-D          | 6         | 6/1/2013                | 60,165           | On schedule.      |
| Maintenance               | PU-52   | 2004 / Chevrolet Silverado 2500           | 8         | 6/1/2012                | 22,540           | Extended 1 year.  |
| Maintenance               | TL-08A  | 1997 /Garland Trailer                     | 10        | 9/1/2007                | 4,598            | Extended 8 years. |
| Maintenance               | TR-10   | 2003 / Ford Ballfield Tractor             | 10        | 6/1/2013                | 52,836           | On schedule.      |
| Recreation                | PU-56   | 2005 / Dodge Grand Caravan                | 8         | 6/1/2013                | 28,326           | On schedule.      |
|                           |         | <b>Planning</b>                           |           |                         |                  |                   |
| Planning                  | C-09    | 2005 / Volkswagen Passat Bio-Diesel       | 8         | 6/1/2013                | 37,000           | On schedule.      |
| Planning                  | C-15    | 2000/ Ford Taurus SE Station Wagon        | 8         | 6/1/2008                | 23,277           | Extended 7 years. |
|                           |         | <b>Police</b>                             |           |                         |                  |                   |
| Admin                     | A01-02  | 2001 / Ford Crown Victoria                | 8         | 6/1/2009                | 40,786           | Extended 4 years. |
| Admin                     | A01-04  | 2001 / Ford Crown Victoria                | 8         | 6/1/2009                | 34,404           | Extended 4 years. |
| Crime Prev                | C98-04  | 1998 / Dodge Grand Caravan SE             | 8         | 6/1/2006                | 36,000           | Extended 7 years. |
| Detent Corr               | S06-09  | 2006 / Dodge Sprinter Van (PSO)           | 5         | 6/1/2011                | 79,533           | Extended 2 years. |
| Invest                    | D93-05  | 1993 / Chevrolet G2 Van                   | 12        | 6/1/2005                | 41,905           | Extended 8 years. |
|                           |         | <b>Public Works</b>                       |           |                         |                  |                   |
| Dev Eng                   | PU-54   | 2004 / Chevrolet Colorado Ext Cab (4x2)   | 8         | 6/1/2012                | 23,625           | Extended 1 year.  |
| Surf Water                | PU-55   | 2005 / Ford Aerostar Van (Pass/Cargo)     | 8         | 6/1/2013                | 24,866           | On schedule.      |
| Trans Eng                 | PU-49   | 2000 / Chevrolet Silverado 1500 ExCab     | 8         | 6/1/2008                | 27,337           | Extended 5 years. |
| Public Grds               | PU-12   | 2001 / GMC Sonoma Pickup Ext. Cab         | 8         | 6/1/2009                | 22,628           | Extended 4 years. |
| Maintenance               | 98P-40X | 1998 / Dodge Grand Caravan SE             | 8         | 6/1/2006                | 27,700           | Extended 7 years. |
| Maintenance               | C-06    | 2003 / Toyota Prius (Hybrid)              | 8         | 6/1/2011                | 27,942           | Extended 2 years. |
| Maintenance               | D-08    | 2001 / International Dumptruck - 10 Yd.   | 12        | 6/1/2013                | 171,878          | On schedule.      |
| Maintenance               | F-12    | 2004 / Chevrolet Silverado 3500 Flat Bed  | 8         | 9/1/2012                | 30,831           | Extended 1 year.  |
| Maintenance               | F-13    | 2004 / Chevrolet 3500 2/3 Yard Dump       | 8         | 6/1/2012                | 46,329           | Extended 1 year.  |
| Maintenance               | PU-53   | 2004 / Chevrolet Silverado 2500           | 8         | 6/1/2012                | 23,122           | Extended 1 year.  |
| Maintenance               | TL-06A  | 1998 / Atlas Copco Air Compressor         | 12        | 6/1/2011                | 19,610           | Extended 2 years. |
| Maintenance               | TL-11   | 1988 / Wisconsin Trailer                  | 20        | 6/1/2008                | 18,329           | Extended 5 years. |
| Maintenance               | TL-16   | 1990 / Wisconsin Trailer                  | 20        | 6/1/2010                | 21,050           | Extended 3 years. |
| Maintenance               | TR-07A  | 2003 / Case Backhoe 580SM (4X4)           | 10        | 6/1/2013                | 112,132          | On schedule.      |
| Maintenance               | U-05    | 2000 / Ford F450 Utility Truck            | 10        | 6/1/2010                | 58,563           | Extended 3 years. |
| Maintenance               | U-07    | 2003 / Ford F450 XL Utility w/Crane       | 10        | 6/1/2013                | 86,636           | On schedule.      |
| <b>Total All Vehicles</b> |         |   |           |                         | <b>2,382,771</b> |                   |

## City of Kirkland Vehicle Replacements for Year 2014

All Vehicles listed will be considered for replacement dependent upon their condition and replacement funding.

| Division                   | Vehicle | Year/Description                         | Acct Life | Normal Replacement Date | Replacement Cost | Comments         |
|----------------------------|---------|--|-----------|-------------------------|------------------|------------------|
| <b>Fire &amp; Building</b> |         |  |           |                         |                  |                  |
| Admin                      | F214    | 2006 / Dodge Durango                     | 8         | 6/1/2014                | 42,062           | On schedule.     |
| Admin                      | F215    | 2005 / Jeep Grand Cherokee               | 8         | 6/1/2013                | 39,893           | Extended 1 year. |
| Building                   | PU-86   | 2006 / Ford Escape Hybrid                | 8         | 6/1/2014                | 36,482           | On schedule.     |
| Building                   | PU-87   | 2006 / Ford Escape Hybrid                | 8         | 6/1/2014                | 36,482           | On schedule.     |
| Building                   | PU-88   | 2006 / Ford Escape Hybrid                | 8         | 6/1/2014                | 36,482           | On schedule.     |
| Operations                 | F213    | 2006 / Chevrolet Suburban                | 8         | 6/1/2014                | 74,192           | On schedule.     |
| Operations                 | F314    | 2006 / Ford Road Rescue Aid Vehicle      | 8         | 6/1/2014                | 210,682          | On schedule.     |
| Operations                 | F315    | 2006 / Ford Road Rescue Aid Vehicle      | 8         | 6/1/2014                | 210,682          | On schedule.     |
| <b>Parks</b>               |         |  |           |                         |                  |                  |
| Bond Maint                 | M-13    | 2009 / John Deere 1445 Frt. Mount Mower  | 5         | 6/1/2014                | 22,996           | On schedule.     |
| Maintenance                | M-11    | 2008 / John Deere 1455 (62') Mower       | 6         | 6/1/2014                | 19,628           | On schedule.     |
| Maintenance                | M-12    | 2008 / John Deere 1455 (62') Mower       | 6         | 6/1/2014                | 19,856           | On schedule.     |
| Maintenance                | PU-38   | 2006 / Chevrolet Silverado 3500 Crew 4x4 | 8         | 6/1/2014                | 42,313           | On schedule.     |
| Maintenance                | PU-39   | 2006 / Chevrolet Silverado 1500          | 8         | 6/1/2014                | 27,158           | On schedule.     |
| <b>Planning</b>            |         |  |           |                         |                  |                  |
| Planning                   | C-08    | 2006 / Toyota Prius Hybrid               | 8         | 6/1/2014                | 28,960           | On schedule.     |
| <b>Police</b>              |         |  |           |                         |                  |                  |
| Admin                      | A06-07  | 2006 / Ford Crown Victoria               | 8         | 6/1/2014                | 39,888           | On schedule.     |
| Crime Prev                 | P07-12  | 2007 / Ford Crown Victoria               | 4         | 6/1/2014                | 7,920            | On schedule.     |
| Crime Prev                 | P07-02  | 2007 / Ford Expedition                   | 4         | 6/1/2014                | 7,920            | On schedule.     |
| Crime Prev                 | P08-08  | 2008 / Ford Crown Victoria               | 4         | 6/1/2014                | 10,200           | On schedule.     |
| Invest                     | P06-51  | 2006 / Jeep Grand Cherokee               | 8         | 6/1/2014                | 39,374           | On schedule.     |
| Invest                     | P06-52  | 2006 / Dodge Durango                     | 8         | 6/1/2014                | 39,374           | On schedule.     |
| Invest                     | P06-53  | 2006 / Chevrolet Impala                  | 8         | 6/1/2014                | 39,374           | On schedule.     |
| Patrol                     | P108    | 2011 / Ford Expedition                   | 2.5       | 10/1/2014               | 42,886           | On schedule.     |
| Patrol                     | P112    | 2011 / Dodge Charger                     | 2.5       | 4/1/2014                | 36,635           | On schedule.     |
| Patrol                     | P113    | 2011 / Dodge Charger                     | 2.5       | 4/1/2014                | 36,635           | On schedule.     |
| Patrol                     | P114    | 2011 / Dodge Charger                     | 2.5       | 4/1/2014                | 36,635           | On schedule.     |
| Patrol                     | P115    | 2011 / Ford Expedition                   | 2.5       | 4/1/2014                | 42,886           | On schedule.     |
| Patrol                     | P119    | 2011 / Dodge Charger                     | 2.5       | 10/1/2014               | 36,635           | On schedule.     |
| Patrol                     | P118    | 2013 / Ford Interceptor Utility          | 2.5       | 10/1/2014               | 42,886           | On schedule.     |
| Patrol                     | P121    | 2011 / Dodge Charger                     | 2.5       | 10/1/2014               | 36,635           | On schedule.     |
| Traffic                    | P107    | 2011 / Dodge Charger                     | 2.5       | 4/1/2014                | 37,917           | On schedule.     |
| <b>Public Works</b>        |         |  |           |                         |                  |                  |
| Cap Proj Eng               | PU-41   | 2006 / Chevrolet Silverado 1500 Ext. Cab | 8         | 6/1/2014                | 25,837           | On schedule.     |
| Dev Eng                    | PU-40   | 2006 / Chevrolet Silverado 1500 Ext. Cab | 8         | 6/1/2014                | 25,837           | On schedule.     |
| Facilities                 | PU-64   | 2006 / Chevrolet Express Access Van      | 8         | 6/1/2014                | 26,793           | On schedule.     |
| Public Grds                | PU-58   | 2006 / Ford F250 Crew 4x4                | 8         | 6/1/2014                | 37,301           | On schedule.     |
| Public Grds                | PU-63   | 2006 / Chevrolet 2500 Pick-Up            | 8         | 6/1/2014                | 26,295           | On schedule.     |
| Maintenance                | F-17    | 2004 / UD Cabover Dump Body              | 10        | 6/1/2014                | 90,935           | On schedule.     |
| Maintenance                | TL-15A  | 2002 / Inger/Rand Air Compressor         | 12        | 6/1/2014                | 19,031           | On schedule.     |
| Maintenance                | U-06    | 2003 / F450 Walk-In Utility              | 10        | 6/1/2013                | 69,387           | On schedule.     |
| <b>Total All Vehicles</b>  |         |  |           |                         | <b>1,703,084</b> |                  |



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Internal Service Funds account for the financing of goods and services provided by one department to other City departments on a cost reimbursement basis.

## INFORMATION TECHNOLOGY FUND

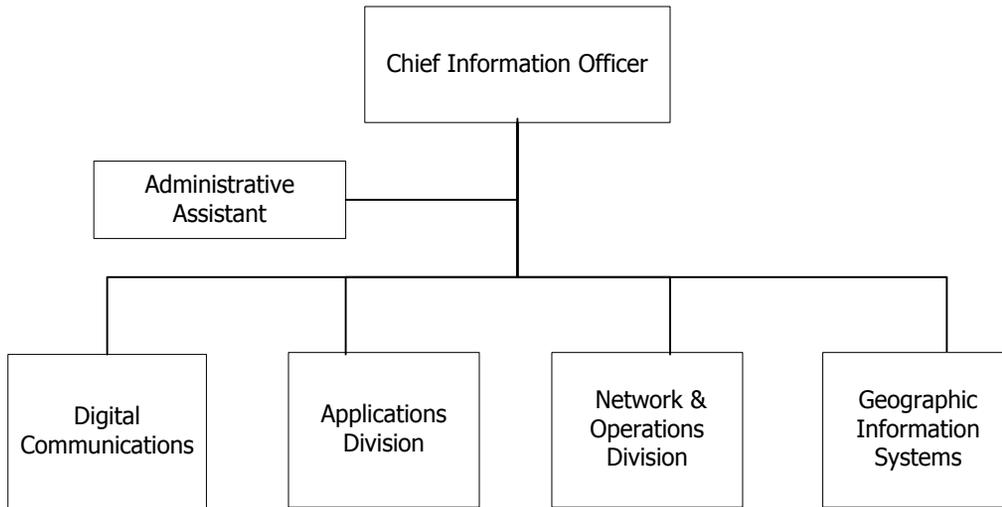
The Information Technology Fund accounts and assesses user charges for the cost of supporting the City's information processing and telecommunication functions and replacing all City computers.



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# CITY OF KIRKLAND

## Information Technology Department



## DEPARTMENT OVERVIEW

# ***INFORMATION TECHNOLOGY***

## MISSION

Proactively provide cost effective, reliable, standardized, and current information technology tools, systems, and services including customer focused support.

## DEPARTMENT FUNCTIONS

The **Network & Operations Division** designs, maintains, and monitors the City's data and telephone networks. The division orders, delivers, repairs, and maintains all desktop and handheld personal computers, and staffs and manages the computer Help Desk and assures the integrity and security of data operations, and oversees and manages the City's data and communications infrastructure.

The **Applications Division** procures, maintains, and supports primary computer applications such as finance, payroll, utilities, permitting, public safety, and parks and recreation systems. They maintain system databases, implement major IT projects, manage client/vendor relations and software support contracts.

The **Geographic Information Systems Division** designs, implements, manages, and maintains enterprise-wide mapping and spatial data analysis tools, mapping applications, and vendor relationships. GIS staff also coordinates closely with departmental GIS staff and provides direct support to departments that do not have experienced GIS professional staff.

The **Digital Communications Division** supports telecommunications franchising, graphic design for print and other media, video and television programming, and manages the City's two public television stations. This group also manages the Internet web site and the City's intranet.

## RELATIONSHIP TO COUNCIL GOALS

### Neighborhoods

- Help support neighborhood participation through communication tools from the Currently Kirkland television show through email list servers.

### Public Safety

- Provide GIS products such as police and fire map books and data to the NORCOM dispatch center in support of public safety operations.
- Provide support for construction and operation of the Public Safety Building including ongoing help desk support.

### Balanced Transportation

- Manage the fiber infrastructure that supports the Intelligent Transportation System.

### Economic Development

- Contributes directly to the attractiveness of Kirkland's downtown and downtown parks by providing a downtown wireless program.
- Develop numerous graphic products and video programs designed to support economic development in the City.

### Dependable Infrastructure

- Support a significant technology infrastructure that all other departments use to help them meet Council goals including servers, systems, network, fiber, support, and engineering.

## **BUDGET HIGHLIGHTS**

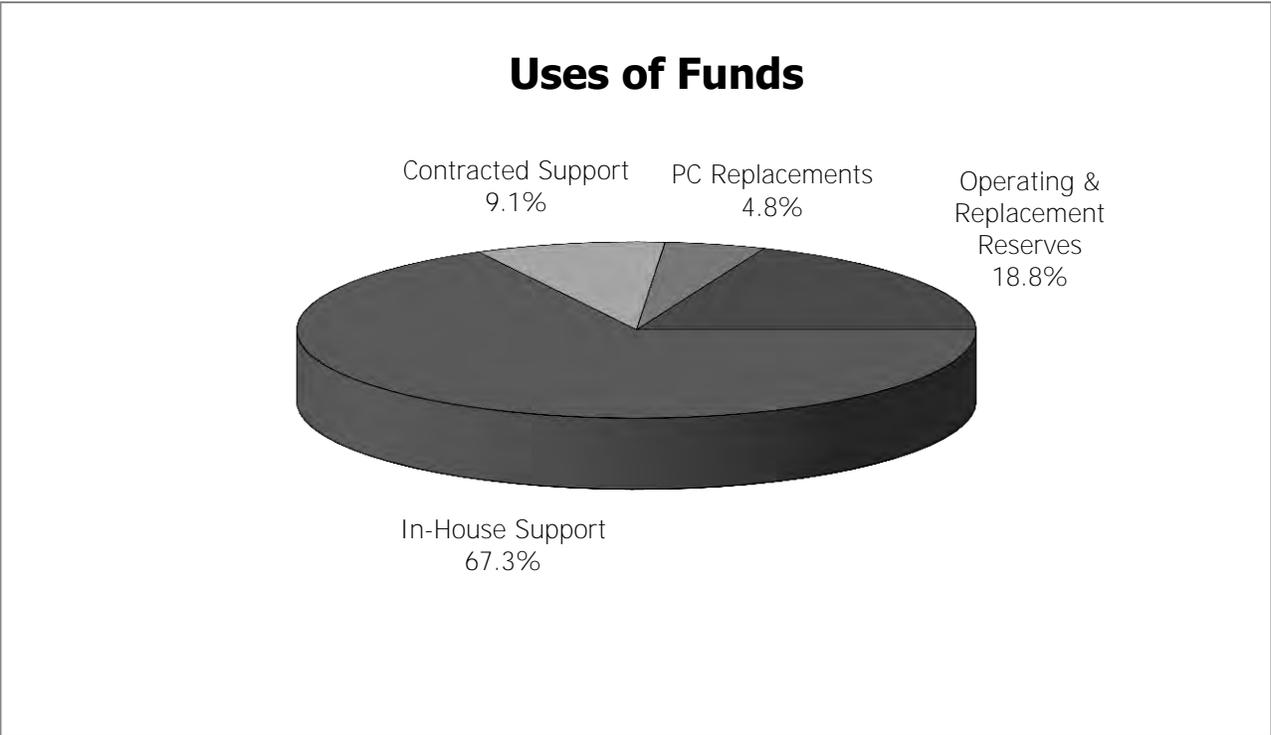
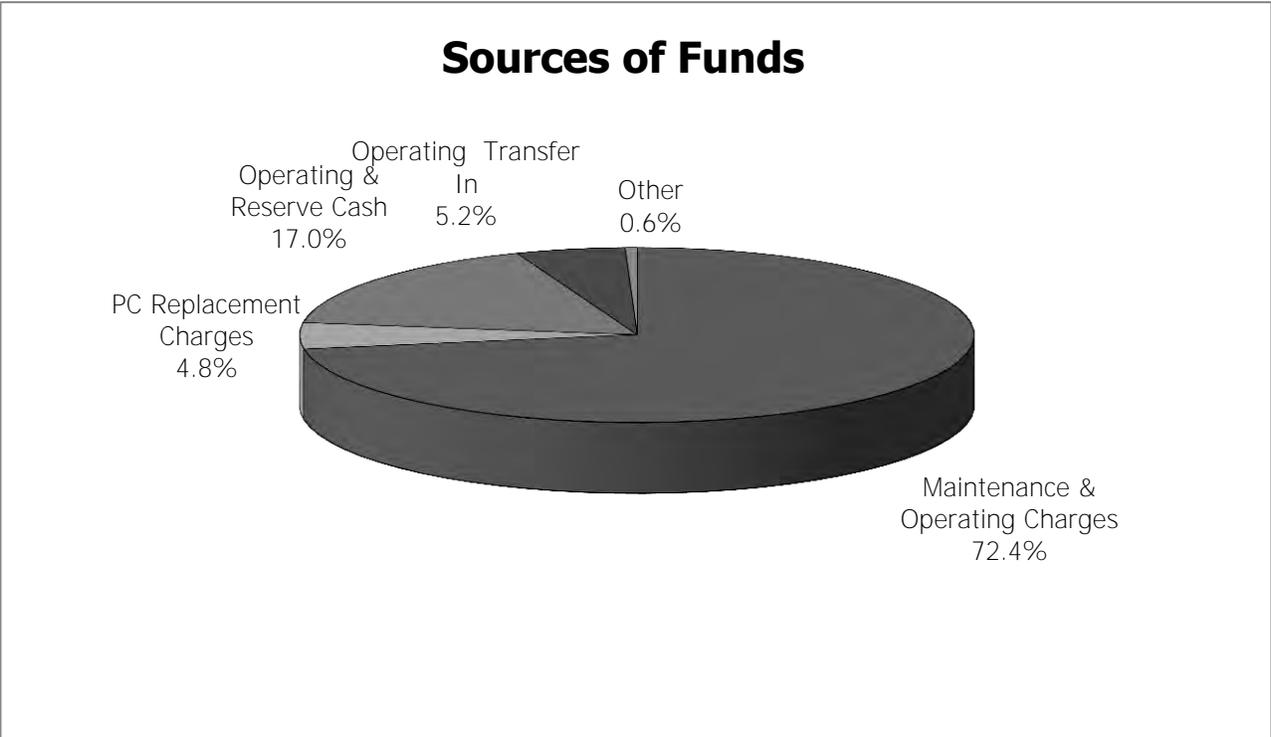
### **2013-2014 Reductions and Efficiencies**

- Reduced almost all department general consultant money to achieve target reductions - \$10,000.
- Reduced level of support on some network components and use spare parts only - \$13,600.
- Reduced various supply and contract services line items - \$146,036.

### **2013-2014 Additions**

- Add one-time funded Senior Applications Analyst to support implementation of new and upgraded systems - \$267,033.
- Add one-time funded IT Network Security position to address findings and recommendations of 2012 network security study and IT infrastructure analysis - \$265,598.
- Continue funding Service Desk Analyst to provide contracted support services to the Northshore Fire District and supplement Help Desk staff for the City - \$144,441.
- Provide one-time funding for copier and plotter replacements - \$131,000.
- Add 0.2 FTE Help Desk Staffing for the Public Safety Building and Network Support - \$51,349.

# 2013-2014 BUDGET INFORMATION TECHNOLOGY FUND



**2013 - 2014 FINANCIAL OVERVIEW**

***INFORMATION TECHNOLOGY FUND***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 3,668,091                   | 3,950,439                     | 3,965,726                   | 4,704,102                   | 18.62%                    |
| Benefits            | 1,082,063                   | 1,354,538                     | 1,536,036                   | 1,897,714                   | 23.55%                    |
| Supplies            | 345,756                     | 674,262                       | 862,191                     | 762,726                     | -11.54%                   |
| Other Services      | 1,944,674                   | 2,228,412                     | 2,894,909                   | 2,123,035                   | -26.66%                   |
| Government Services | 819,774                     | 885,700                       | 885,700                     | 89,300                      | -89.92%                   |
| Capital Outlay      | -                           | -                             | -                           | -                           | n/a                       |
| Reserves            | -                           | -                             | 1,316,420                   | 2,485,057                   | 88.77%                    |
| <b>TOTAL</b>        | 7,860,358                   | 9,093,351                     | 11,460,982                  | 12,061,934                  | 5.24%                     |

**FINANCIAL SUMMARY BY DIVISION**

|                        | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|------------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Information Technology | 7,860,358                   | 9,093,351                     | 11,460,982                  | 12,061,934                  | 5.24%                     |
| <b>TOTAL</b>           | 7,860,358                   | 9,093,351                     | 11,460,982                  | 12,061,934                  | 5.24%                     |

**POSITION SUMMARY BY DIVISION**

|                        | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|------------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Information Technology | 19.25                       | 5.25               | 24.50                       | 0.20               | 24.70                       |
| <b>TOTAL</b>           | 19.25                       | 5.25               | 24.50                       | 0.20               | 24.70                       |

**2013-2014 POSITION SUMMARY**

***INFORMATION TECHNOLOGY FUND***

**POSITION SUMMARY BY CLASSIFICATION**

| <b>Classification</b>               | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|-------------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Chief Information Officer           | 1.00                           |                              |                             | 1.00                           | 9,605 - 12,393                        |
| Network & Operations Manager        | 1.00                           |                              |                             | 1.00                           | 7,288 - 9,403                         |
| Applications Division Manager       | 1.00                           |                              |                             | 1.00                           | 7,288 - 9,403                         |
| Geographic Info. Sys. Administrator | 1.00                           |                              |                             | 1.00                           | 6,709 - 8,656                         |
| Senior Applications Analyst         | 3.00                           |                              |                             | 3.00                           | 6,967 - 8,197                         |
| Network Engineer                    | 1.00                           |                              |                             | 1.00                           | 6,781 - 7,978                         |
| Webmaster                           | 1.00                           |                              |                             | 1.00                           | 6,561 - 7,719                         |
| Service Desk Supervisor             | 1.00                           |                              |                             | 1.00                           | 5,748 - 7,417                         |
| Network Analyst                     | 1.00                           |                              |                             | 1.00                           | 5,906 - 6,948                         |
| Senior GIS Analyst                  | 3.00                           |                              |                             | 3.00                           | 5,667 - 6,668                         |
| Applications Analyst                | 1.00                           |                              |                             | 1.00                           | 5,667 - 6,668                         |
| Desktop Systems Analyst             | 1.00                           |                              |                             | 1.00                           | 5,438 - 6,398                         |
| GIS Analyst                         | 2.50                           |                              |                             | 2.50                           | 5,209 - 6,127                         |
| Video Production Specialist         | 1.00                           |                              |                             | 1.00                           | 5,078 - 5,973                         |
| Web & Multimedia Content Spec.      | 1.00                           |                              |                             | 1.00                           | 4,792 - 5,685                         |
| Service Desk Analyst                | 2.00                           |                              | 0.20                        | 2.20                           | 4,644 - 5,464                         |
| Senior Design Specialist            | 1.00                           |                              |                             | 1.00                           | 4,560 - 5,365                         |
| Administrative Assistant            | 1.00                           |                              |                             | 1.00                           | 4,534 - 5,333                         |
| <b>TOTAL</b>                        | 24.50                          | 0.00                         | 0.20                        | 24.70                          |                                       |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|   | 2009 -2010<br>Actual | 2011 - 2012<br>Estimate | 2011- 2012<br>Budget | 2013 - 2014<br>Budget | Percent<br>Change |
|---|----------------------|-------------------------|----------------------|-----------------------|-------------------|
| <b>Fund: Information Technology (522)</b>             |                      |                         |                      |                       |                   |
| <b>Department: General</b>                            |                      |                         |                      |                       |                   |
| <b>Division: Not Applicable</b>                       |                      |                         |                      |                       |                   |
| <b>Key: Information Technology (5220000000)</b>       |                      |                         |                      |                       |                   |
| <b>Intergovernmental Revenue</b>                      |                      |                         |                      |                       |                   |
| Intergovt*Other Gen Govt Svcs 3381901                 | 331,161              | 144,597                 | 180,095              | 0                     | 0.00%             |
| <b>Total for Intergovernmental Revenue:</b>           | 331,161              | 144,597                 | 180,095              | 0                     | 0.00%             |
| <b>Charges for Goods and Services</b>                 |                      |                         |                      |                       |                   |
| General Govt Services 3419601                         | 0                    | 0                       | 0                    | 151,416               | 0.00%             |
| Interfund Communications 3481001                      | 205,390              | 222,544                 | 222,544              | 0                     | 0.00%             |
| Interfund Multimedia Services 3486003                 | 803,133              | 326,727                 | 341,354              | 0                     | 0.00%             |
| Interfund Data Processing 3488001                     | 5,820,664            | 6,906,404               | 6,906,403            | 8,580,312             | 24.23%            |
| Data Process Replacement Chg3488002                   | 82,876               | 469,200                 | 467,995              | 584,064               | 24.80%            |
| Interfund-Other Gen Govmnt 3491901                    | 15,196               | 0                       | 0                    | 0                     | 0.00%             |
| <b>Total for Charges for Goods and Services:</b>      | 6,927,259            | 7,924,875               | 7,938,296            | 9,315,792             | 17.35%            |
| <b>Miscellaneous Revenues</b>                         |                      |                         |                      |                       |                   |
| ContribDonations Private 3679901                      | 0                    | 0                       | 0                    | 70,000                | 0.00%             |
| Other Misc Revenue 3699001                            | 10,466               | 12,107                  | 0                    | 0                     | 0.00%             |
| <b>Total for Miscellaneous Revenues:</b>              | 10,466               | 12,107                  | 0                    | 70,000                | 0.00%             |
| <b>Other Financing Sources</b>                        |                      |                         |                      |                       |                   |
| Operating Transfer In 3971001                         | 307,456              | 461,345                 | 741,713              | 631,000               | -14.92%           |
| Resources Forward 3999901                             | 0                    | 2,600,878               | 2,600,878            | 2,045,142             | -21.36%           |
| <b>Total for Other Financing Sources:</b>             | 307,456              | 3,062,223               | 3,342,591            | 2,676,142             | -19.93%           |
| <b>Total for Information Technology (5220000000):</b> | 7,576,342            | 11,143,802              | 11,460,982           | 12,061,934            | 5.24%             |
| <b>Total for Not Applicable:</b>                      | 7,576,342            | 11,143,802              | 11,460,982           | 12,061,934            | 5.24%             |
| <b>Total for General:</b>                             | 7,576,342            | 11,143,802              | 11,460,982           | 12,061,934            | 5.24%             |
| <b>Total for Information Technology:</b>              | 7,576,342            | 11,143,802              | 11,460,982           | 12,061,934            | 5.24%             |



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Internal Service Funds account for the financing of goods and services provided by one department to other City departments on a cost reimbursement basis.

## FACILITIES MAINTENANCE FUND

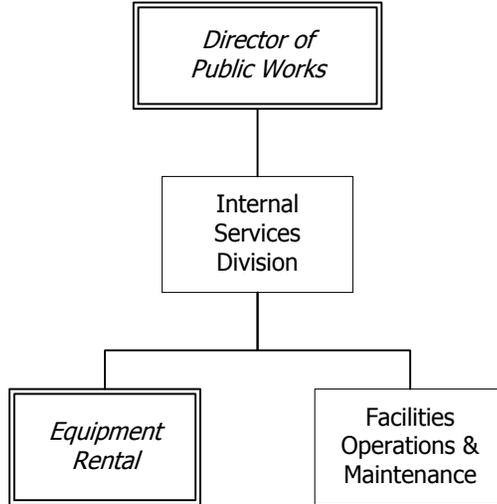
The Facilities Maintenance Fund accounts and assesses user charges for the operations and maintenance of the City's building facilities and public facilities ground maintenance and landscaping.



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**CITY OF KIRKLAND**  
**Public Works Department**

Facilities Maintenance Fund



*Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.*

**DEPARTMENT OVERVIEW*****FACILITIES MAINTENANCE FUND*****MISSION**

The Facilities Maintenance Fund is established to account for resources associated with ensuring that City buildings, related equipment, and their properties receive the appropriate planning, scheduled maintenance, and repair services to provide a safe, efficient, and healthy environment at which to work, visit, or conduct business.

**DEPARTMENT FUNCTIONS**

The Facilities Maintenance Fund contains user charges and accounts for the Facilities Services group and a portion of the Public Grounds group that are responsible for the protection of City assets, building operations and maintenance, landscaping and grounds maintenance, preventative maintenance, remodels, construction, building life cycle replacement programs, janitorial, and facility security.

Facilities Services is responsible for all work orders for both major and minor repairs and responsible for capital construction and tenant improvements, and optimization of the life cycle program for all City buildings and infrastructure to support these facilities. The group is tasked with space planning, construction management, carpentry, mechanical, electrical, plumbing, finishes, and electronic services. The Public Grounds group, with daily operations overseen within the Street Maintenance Division, maintains the landscaping and grounds of City buildings including City Hall, City Hall Annex, Maintenance Center, six City Fire Stations, 505 Market and the new Public Safety Building.

In addition, Facilities Services serves as the City agent for three residential rental properties that the City owns adjacent to City Hall and ensures that these facilities are maintained and rented for full market value. Facilities Services also manages the contracted janitorial services for City Hall, City Hall Annex, 505 Market, the Maintenance Center Campus including the Parks Maintenance Annex, North Kirkland Community Center, Peter Kirk Community Center, and Municipal Court.

**RELATIONSHIP TO COUNCIL GOALS****Public Safety**

- Oversee the construction and operation of the new Public Safety Building which will house the **City's Police and Jail operations and the Municipal Court.**

**Environment**

- **Continue working on measures to reduce the City's Operational Carbon Footprint** by implementing more efficient building systems during lifecycle replacement, encouraging conservation through behavior changes, and utilizing monitoring systems to reduce electric, natural gas, water and garbage consumption, while increasing recycling and food scrap collection.

**Dependable Infrastructure**

- Maintain building infrastructure to provide safe, sanitary, and comfortable place for our community and staff.
- Review current lifecycle projections and update average life and cost estimates for our city buildings.
- Implement additional sinking funds for equipment replacement needs that have not been included in the lifecycle model.
- Pursue external funds (i.e. grants, reimbursement programs) leveraging the current budget dollars.

## **BUDGET HIGHLIGHTS**

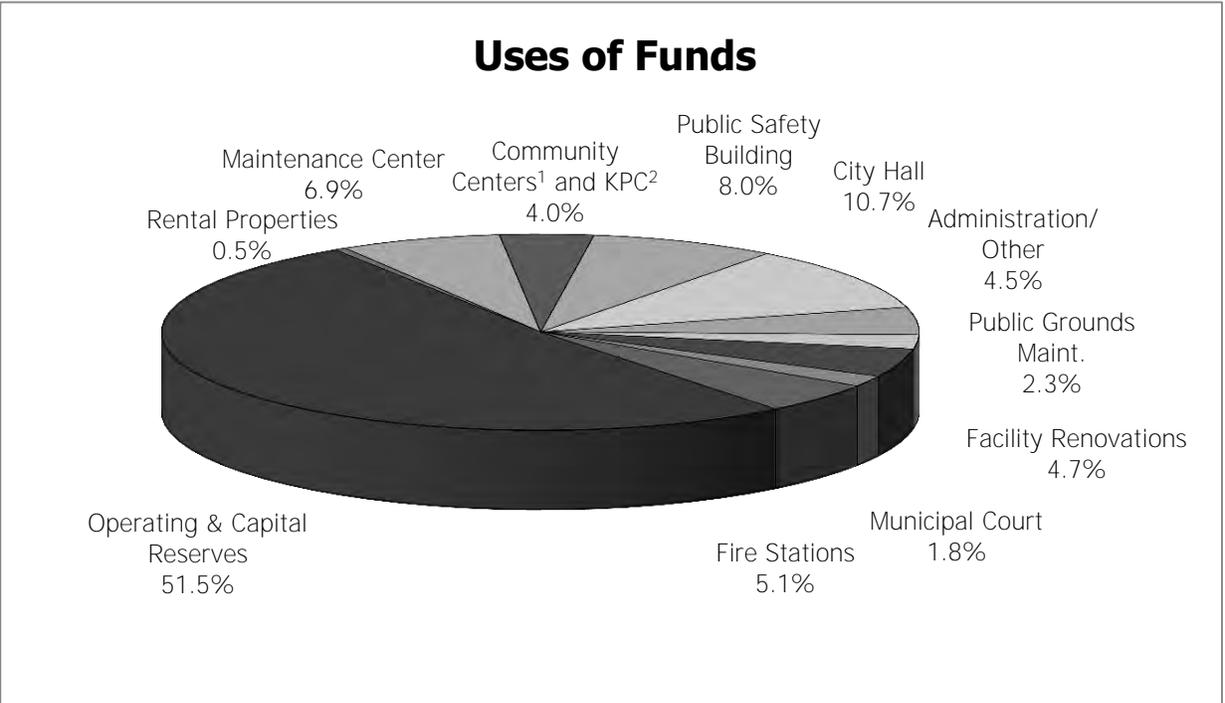
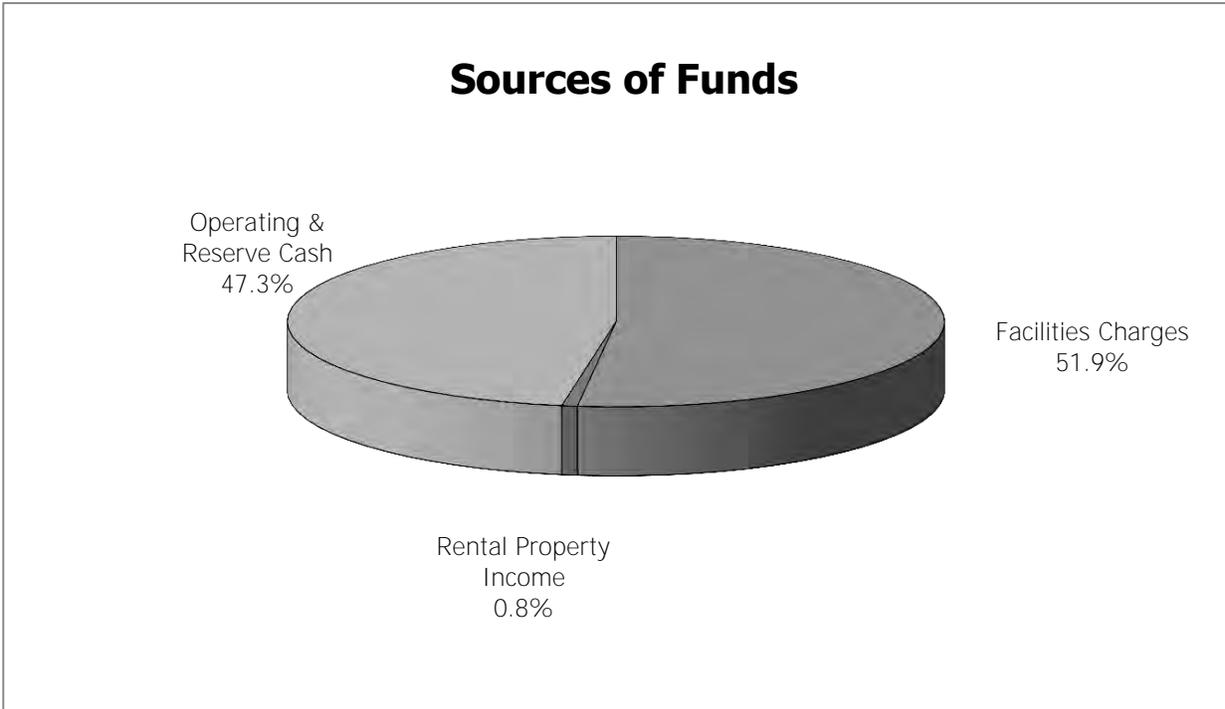
### **2013-2014 Reductions and Efficiencies**

- Reduced budgeted expenditure from 2011-2012 to 2013-2014 by 7.12%, or \$237,024.
- Renegotiated contracts for many services that are outsourced (e.g. janitorial services for City Hall).

### **2013-2014 Additions**

- Provide for the maintenance and operation of the Public Safety Building which will be completed in 2014. Funding to be provided through savings in contracted jail costs and relocation of the Municipal Court facility - \$719,583.
  - Addition of 1.0 FTE Facilities Tech I.
- Increase maintenance to reflect increased rental of Peter Kirk Community Center - \$27,374.
  - Increase in costs for supplies and maintenance.
  - Revised janitorial contract for cleaning needs due to increased utilization of building.
- Increase in Liability and Property insurance costs - \$45,843.
- Increase in supplies related to replacement of apparatus bay lighting at Fire Stations - \$14,000.
- Application of roof coating at Fire Station 22 to protect and increase the life cycle - \$3,000.

# 2013-2014 BUDGET FACILITIES MAINTENANCE FUND



<sup>1</sup> Community Centers include: Peter Kirk Community Center, Teen Center and North Kirkland Community Center

<sup>2</sup> Kirkland Performance Center

**2013 - 2014 FINANCIAL OVERVIEW**

***FACILITIES MAINTENANCE FUND***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 779,335                     | 814,555                       | 861,540                     | 906,312                     | 5.20%                     |
| Benefits            | 349,379                     | 389,197                       | 410,187                     | 454,586                     | 10.82%                    |
| Supplies            | 152,688                     | 237,057                       | 295,217                     | 297,902                     | 0.91%                     |
| Other Services      | 2,387,871                   | 2,591,530                     | 3,182,260                   | 3,566,335                   | 12.07%                    |
| Government Services | 1,474,774                   | 693,160                       | 768,759                     | 612,800                     | -20.29%                   |
| Capital Outlay      | -                           | -                             | -                           | -                           | n/a                       |
| Reserves            | -                           | -                             | 5,251,980                   | 6,933,465                   | 32.02%                    |
| <b>TOTAL</b>        | <b>5,144,047</b>            | <b>4,725,499</b>              | <b>10,769,943</b>           | <b>12,771,400</b>           | <b>18.58%</b>             |

**FINANCIAL SUMMARY BY DIVISION**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Facilities Services | 4,898,950                   | 4,470,475                     | 10,480,571                  | 12,476,414                  | 19.04%                    |
| Grounds Maintenance | 245,097                     | 255,024                       | 289,372                     | 294,986                     | 1.94%                     |
| <b>TOTAL</b>        | <b>5,144,047</b>            | <b>4,725,499</b>              | <b>10,769,943</b>           | <b>12,771,400</b>           | <b>18.58%</b>             |

**POSITION SUMMARY BY DIVISION**

|                     | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|---------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Facilities Services | 4.95                        | 0.50               | 5.45                        | 1.00               | 6.45                        |
| Grounds Maintenance | 0.90                        | 0.00               | 0.90                        | 0.00               | 0.90                        |
| <b>TOTAL</b>        | <b>5.85</b>                 | <b>0.50</b>        | <b>6.35</b>                 | <b>1.00</b>        | <b>7.35</b>                 |

**2013-2014 POSITION SUMMARY**

***FACILITIES MAINTENANCE FUND***

**POSITION SUMMARY BY CLASSIFICATION**

| <b>Classification</b>              | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|------------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Street Manager                     | 0.05                           |                              |                             | 0.05                           | 6,695 - 8,640                         |
| Internal Services Manager          | 0.40                           |                              |                             | 0.40                           | 6,645 - 8,575                         |
| Leadperson                         | 1.35                           |                              |                             | 1.35                           | 5,100 - 6,154                         |
| Facilities Services Technician I   | 0.00                           |                              | 1.00                        | 1.00                           | 4,386 - 5,666                         |
| Facilities Services Technician II  | 1.00                           |                              |                             | 1.00                           | 4,279 - 5,527                         |
| Yard Maint. & Inventory Control    | 1.00                           |                              |                             | 1.00                           | 4,279 - 5,527                         |
| Facilities Services Technician III | 2.00                           |                              |                             | 2.00                           | 3,368 - 4,632                         |
| Grounds Technician                 | 0.55                           |                              |                             | 0.55                           | 3,368 - 4,632                         |
| <b>TOTAL</b>                       | 6.35                           | 0.00                         | 1.00                        | 7.35                           |                                       |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

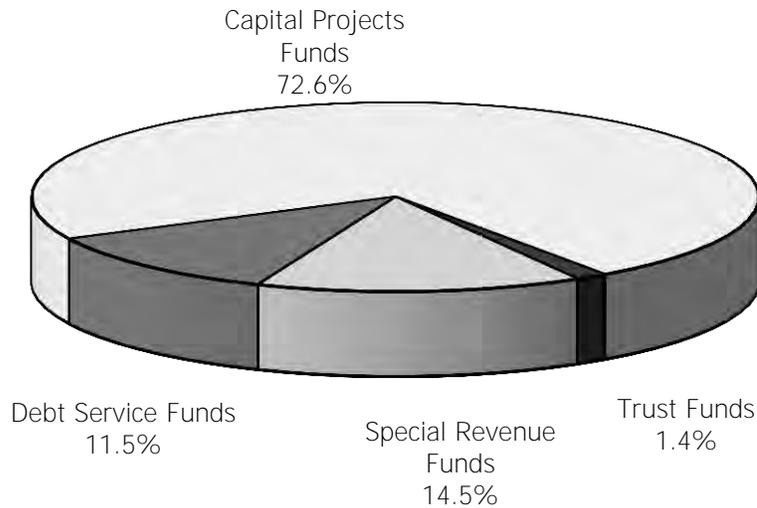
|  |                                     | 2009 -2010 | 2011 - 2012 | 2011- 2012 | 2013 - 2014 | Percent |
|--|-------------------------------------|------------|-------------|------------|-------------|---------|
|  |                                     | Actual     | Estimate    | Budget     | Budget      | Change  |
| <b>Fund:</b>                                     | <b>Facilities (527)</b>             |            |             |            |             |         |
| <b>Department:</b>                               | <b>General</b>                      |            |             |            |             |         |
| <b>Division:</b>                                 | <b>Not Applicable</b>               |            |             |            |             |         |
| <b>Key:</b>                                      | <b>Facilities Fund (5270000000)</b> |            |             |            |             |         |
| <b>Intergovernmental Revenue</b>                 |                                     |            |             |            |             |         |
| Indirect FEMA                                    | 3339703                             | 0          | 4,830       | 0          | 0           | 0.00%   |
| Military Department                              | 3340180                             | 0          | 805         | 0          | 0           | 0.00%   |
| <b>Total for Intergovernmental Revenue:</b>      |                                     | 0          | 5,635       | 0          | 0           | 0.00%   |
| <b>Charges for Goods and Services</b>            |                                     |            |             |            |             |         |
| Other*General Government Svc                     | 3419001                             | 3,409      | 4,800       | 4,800      | 0           | 0.00%   |
| General Govt Services                            | 3419601                             | 0          | 0           | 0          | 4,800       | 0.00%   |
| Interfund-City Hall Facilities                   | 3481803                             | 1,568,658  | 1,998,621   | 1,914,812  | 1,716,949   | -10.33% |
| Interfund-Maintenance Center                     | 3481804                             | 1,184,367  | 912,214     | 950,651    | 1,045,730   | 10.00%  |
| Interfund-Senior Center                          | 3481805                             | 268,953    | 241,988     | 242,130    | 296,423     | 22.42%  |
| Interfund-NKCC                                   | 3481806                             | 230,794    | 208,483     | 208,671    | 229,397     | 9.93%   |
| Interfund-Municipal Court                        | 3481807                             | 482,671    | 312,991     | 358,012    | 369,529     | 3.21%   |
| Interfund-KPC                                    | 3481808                             | 45,120     | 48,452      | 48,439     | 50,457      | 4.16%   |
| Interfund-Fire Stations                          | 3481809                             | 785,110    | 818,048     | 818,080    | 928,441     | 13.49%  |
| Interfund-Teen Center                            | 3481810                             | 27,140     | 17,583      | 17,585     | 26,533      | 50.88%  |
| Interfund-CH Annex                               | 3481811                             | 47,708     | 0           | 0          | 0           | 0.00%   |
| Interfund Public Safety                          | 3481814                             | 0          | 0           | 0          | 654,089     | 0.00%   |
| Interfund-City Hall(sinking)                     | 3481823                             | 391,133    | 459,625     | 459,625    | 466,416     | 1.47%   |
| Interfund-Maint Ctr(sinking)                     | 3481824                             | 157,256    | 166,832     | 166,832    | 169,298     | 1.47%   |
| Interfund-Senior Ctr sinking                     | 3481825                             | 83,240     | 88,309      | 88,309     | 89,614      | 1.47%   |
| Interfund-NKCC sinking                           | 3481826                             | 54,047     | 57,338      | 57,338     | 58,186      | 1.47%   |
| Interfund Muni Court Sinking                     | 3481827                             | 0          | 150,000     | 150,000    | 150,000     | 0.00%   |
| Interfund-KPCsinking                             | 3481828                             | 66,202     | 70,234      | 70,234     | 71,272      | 1.47%   |
| Interfund-Fire Stns sinking                      | 3481829                             | 212,279    | 225,207     | 225,207    | 228,536     | 1.47%   |
| Teen Center sinking                              | 3481830                             | 31,907     | 33,850      | 33,850     | 34,350      | 1.47%   |
| Interfund-CH Annessinking                        | 3481831                             | 42,108     | 0           | 0          | 0           | 0.00%   |
| Interfund-Hertge Hallsinking                     | 3481832                             | 10,492     | 11,169      | 11,169     | 11,334      | 1.47%   |
| Interfund-Prk Garagesinking                      | 3481833                             | 22,881     | 24,293      | 24,293     | 24,652      | 1.47%   |
| Interfund Personnel Services                     | 3491601                             | 0          | 21,424      | 0          | 0           | 0.00%   |
| <b>Total for Charges for Goods and Services:</b> |                                     | 5,715,475  | 5,871,461   | 5,850,037  | 6,626,006   | 13.26%  |
| <b>Miscellaneous Revenues</b>                    |                                     |            |             |            |             |         |
| Investment Interest-Dedicated                    | 3611102                             | 100,000    | 0           | 0          | 0           | 0.00%   |
| Facilities Leases LT-Other                       | 3625002                             | 100,000    | 378,710     | 375,000    | 0           | 0.00%   |
| Housing Rental Leases                            | 3626001                             | 120,511    | 96,852      | 87,360     | 96,960      | 10.98%  |
| Other Judgements Settlements                     | 3694001                             | 5,558      | 487         | 0          | 0           | 0.00%   |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

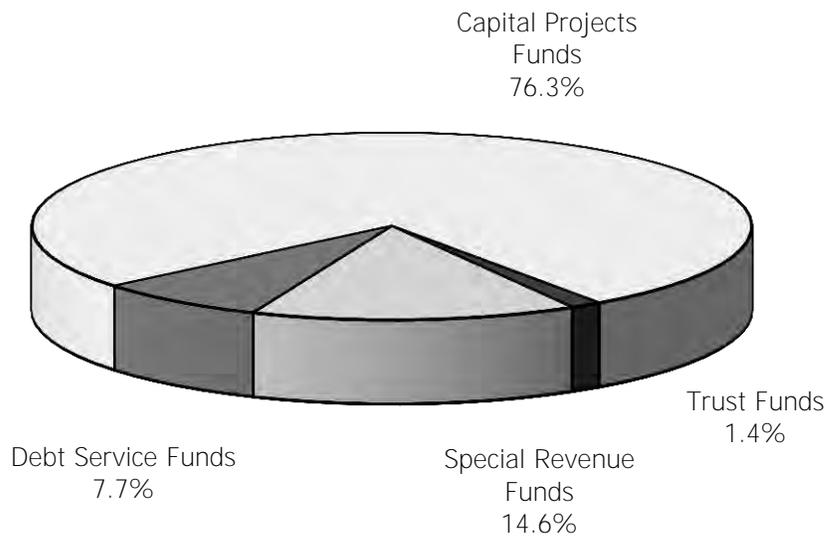
|  |         | 2009 -2010<br>Actual | 2011 - 2012<br>Estimate | 2011- 2012<br>Budget | 2013- 2014<br>Budget | Percent<br>Change |
|--|---------|----------------------|-------------------------|----------------------|----------------------|-------------------|
| Other Misc Revenue                             | 3699001 | 2,664                | 6,014                   | 0                    | 0                    | 0.00%             |
| <b>Total for Miscellaneous Revenues:</b>       |         | 328,733              | 482,063                 | 462,360              | 96,960               | -79.02%           |
| <b>Proprietary Other Income</b>                |         |                      |                         |                      |                      |                   |
| Insur Recovery Prop IntSvc                     | 3720001 | 0                    | 3,506                   | 0                    | 0                    | 0.00%             |
| <b>Total for Proprietary Other Income:</b>     |         | 0                    | 3,506                   | 0                    | 0                    | 0.00%             |
| <b>Other Financing Sources</b>                 |         |                      |                         |                      |                      |                   |
| Operating Transfer In                          | 3971001 | 26,000               | 79,190                  | 79,190               | 0                    | 0.00%             |
| Resources Forward                              | 3999901 | 0                    | 4,378,356               | 4,378,356            | 6,048,434            | 38.14%            |
| <b>Total for Other Financing Sources:</b>      |         | 26,000               | 4,457,546               | 4,457,546            | 6,048,434            | 35.68%            |
| <b>Total for Facilities Fund (5270000000):</b> |         | 6,070,208            | 10,820,211              | 10,769,943           | 12,771,400           | 18.58%            |
| <b>Total for Not Applicable:</b>               |         | 6,070,208            | 10,820,211              | 10,769,943           | 12,771,400           | 18.58%            |
| <b>Total for General:</b>                      |         | 6,070,208            | 10,820,211              | 10,769,943           | 12,771,400           | 18.58%            |
| <b>Total for Facilities:</b>                   |         | 6,070,208            | 10,820,211              | 10,769,943           | 12,771,400           | 18.58%            |

**CITY OF KIRKLAND  
 GENERAL GOVERNMENT NON-OPERATING  
 2013-2014 BUDGET SUMMARY: BY FUND TYPE/FUND**

2011 - 2012



2013 - 2014



There are four types of funds in the general government non-operating budget:

**Special Revenue** funds account for resources dedicated by policy or law to special purposes and for the City's reserves.

**Debt Service** funds account for principal and interest payments on the City's general obligation debt.

**Capital Projects** funds account for projects approved in the six-year CIP and for reserves specifically dedicated for capital purposes.

**Firefighter's Pension** fund is a trust fund to be used for retired firefighter benefits.

**CITY OF KIRKLAND  
GENERAL GOVERNMENT NON-OPERATING  
2013-2014 BUDGET SUMMARY: BY FUND TYPE/FUND**

| <b>Fund</b>                             | <b>2011-12<br/>Budget</b> | <b>2013-14<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---|---------------------------|---------------------------|---------------------------|
| <b><i>Special Revenue Funds</i></b>     |                           |                           |                           |
| 152 Contingency                         | 2,246,510                 | 2,296,510                 | 2.23%                     |
| 156 Impact Fees                         | 1,971,968                 | 3,111,739                 | 57.80%                    |
| 190 Excise Tax Capital Improvement      | 12,866,748                | 12,597,175                | -2.10%                    |
| <b>Total Special Revenue Funds</b>      | <b>17,085,226</b>         | <b>18,005,424</b>         | <b>5.39%</b>              |
| <b><i>Debt Service Funds</i></b>        |                           |                           |                           |
| 210 LTGO Debt Service                   | 11,370,553                | 7,719,330                 | -32.11%                   |
| 220 UTGO Debt Service                   | 2,144,487                 | 1,770,853                 | -17.42%                   |
| <b>Total Debt Service Funds</b>         | <b>13,515,040</b>         | <b>9,490,183</b>          | <b>-29.78%</b>            |
| <b><i>Capital Projects Funds</i></b>    |                           |                           |                           |
| 310 General Capital Projects            | 52,653,591                | 54,759,348                | 4.00%                     |
| 320 Grant Capital Projects              | 32,914,691                | 39,416,383                | 19.75%                    |
| <b>Total Capital Projects Funds</b>     | <b>85,568,282</b>         | <b>94,175,731</b>         | <b>10.06%</b>             |
| <b><i>Trust Funds</i></b>               |                           |                           |                           |
| 620 Firefighter's Pension               | 1,767,099                 | 1,921,858                 | 8.76%                     |
| <b>Total Trust Funds</b>                | <b>1,767,099</b>          | <b>1,921,858</b>          | <b>8.76%</b>              |
| <b>Total General Gov't Non-Op Funds</b> | <b>117,935,647</b>        | <b>123,593,196</b>        | <b>4.80%</b>              |

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2011 to Ending 2014)**  
**SUMMARY OF GENERAL GOVERNMENT NON-OPERATING FUNDS**

|  | <b>Special Revenue</b> | <b>Debt Service</b> | <b>Capital Projects</b> | <b>Trust</b>     | <b>Total</b>        |
|--|------------------------|---------------------|-------------------------|------------------|---------------------|
| <b>2011 Actual Beginning Fund Balance</b>                        | <b>11,228,473</b>      | <b>328,539</b>      | <b>45,396,123</b>       | <b>1,595,017</b> | <b>58,548,152</b>   |
| <i>Reserved</i>  | <i>8,929,254</i>       | <i>306,539</i>      | <i>4,115,494</i>        | <i>1,595,017</i> | <i>14,946,304</i>   |
| <i>Unreserved Working Capital</i>                                | <i>2,299,219</i>       | <i>22,000</i>       | <i>4,753,569</i>        | <i>-</i>         | <i>7,074,788</i>    |
| Plus: 2011-12 Estimated Revenues                                 | 10,662,246             | 13,205,523          | 28,382,965              | 183,899          | <b>52,434,633</b>   |
| Less: 2011-12 Estimated Expenditures                             | 12,226,437             | 13,220,368          | 28,777,994              | 33,367           | <b>54,258,166</b>   |
| <b>2011-12 Estimated Ending Fund Balance</b>                     | <b>9,664,282</b>       | <b>313,694</b>      | <b>45,001,094</b>       | <b>1,745,549</b> | <b>56,724,619</b>   |
| Less: Funding for Carryovers to 2013                             | -                      | -                   | 66,400                  | -                | <b>66,400</b>       |
| <b>2013 Budgeted Beginning Fund Balance</b>                      | <b>9,664,282</b>       | <b>313,694</b>      | <b>44,934,694</b>       | <b>1,745,549</b> | <b>56,658,219</b>   |
| Plus: 2013-14 Budgeted Revenues                                  | 8,341,142              | 9,176,489           | 49,241,037              | 176,309          | <b>66,934,977</b>   |
| Less: 2013-14 Budgeted Expenditures                              | 7,308,799              | 9,176,489           | 90,551,629              | 437,649          | <b>107,474,566</b>  |
| <b>2014 Budgeted Ending Fund Balance</b>                         | <b>10,696,625</b>      | <b>313,694</b>      | <b>3,624,102</b>        | <b>1,484,209</b> | <b>16,118,630</b>   |
| <i>Reserved</i>  | <i>10,696,625</i>      | <i>-</i>            | <i>3,408,637</i>        | <i>1,484,209</i> | <i>15,589,471</i>   |
| <i>Unreserved Working Capital</i>                                | <i>-</i>               | <i>313,694</i>      | <i>215,465</i>          | <i>-</i>         | <i>529,159</i>      |
| <b>Change in Fund Balance:<br/>Beginning 2011 to Ending 2014</b> | <b>(531,848)</b>       | <b>(14,845)</b>     | <b>(41,772,021)</b>     | <b>(110,808)</b> | <b>(42,429,522)</b> |

**Notes:**

Greater detail regarding the change in fund balances can be found in the specific non-operating fund sections.



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Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.



**GENERAL GOVERNMENT  
NON-OPERATING SPECIAL REVENUE FUNDS**



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CITY OF KIRKLAND

***GENERAL GOVERNMENT NON-OPERATING  
SPECIAL REVENUE FUNDS***

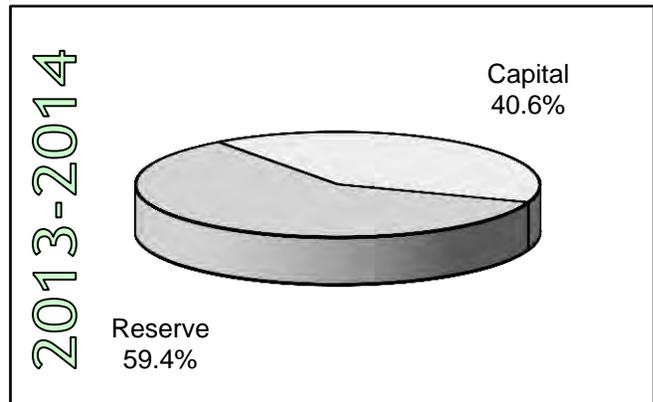
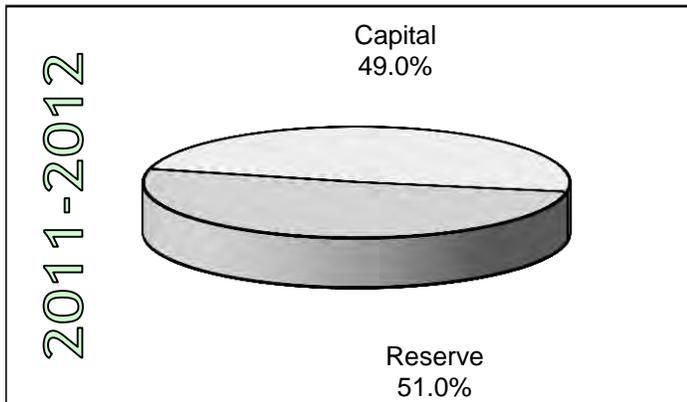
Special Revenue Funds are used to account for revenues that are dedicated for specific purposes either through statute or Council policy. The following Special Revenue Funds are part of the non-operating budget.

The **Contingency Fund** is provided for by state law and allows for the accumulation of resources up to \$0.375 per \$1,000 of assessed valuation for emergency uses.

The **Impact Fee Fund** accounts for road and park impact fees initiated in 1999. Impact fees, and the interest earned on them, are deposited in this fund and transferred out to the capital projects funds to pay for road and park capacity projects approved in the Capital Improvement Program (CIP).

The **Excise Tax Capital Improvement Fund** was created to account for revenue from both the first and second quarter percent real estate excise tax. Excise tax revenue must be used for capital projects within the categories authorized by state law including streets, sidewalks, traffic improvements, parks, fire protection facilities, and other public facilities as specified by statute. The second quarter percent real estate excise tax, adopted by the City Council in October 1996, is dedicated to transportation-related CIP projects. Funds are transferred out of the Excise Tax Capital Improvement Fund to the capital projects funds and allocated via the CIP funding process.

# CITY OF KIRKLAND GENERAL GOVERNMENT NON-OPERATING SPECIAL REVENUE FUNDS



## 2011-2012 BUDGET SUMMARY: BY PURPOSE

| Fund                               | 2011-12 Budget    | Budget by Purpose |          |                  |          |
|------------------------------------|-------------------|-------------------|----------|------------------|----------|
|                                    |                   | Reserve           | Debt     | Capital          | Other    |
| 152 Contingency                    | 2,246,510         | 2,246,510         | -        | -                | -        |
| 156 Impact Fees                    | 1,971,968         | 1,731,783         | -        | 240,185          | -        |
| 190 Excise Tax Capital Improvement | 12,866,748        | 4,742,601         | -        | 8,124,147        | -        |
| <b>Total Special Revenue Funds</b> | <b>17,085,226</b> | <b>8,720,894</b>  | <b>-</b> | <b>8,364,332</b> | <b>-</b> |

## 2013-2014 BUDGET SUMMARY: BY PURPOSE

| Fund                               | 2013-14 Budget    | Budget by Purpose |          |                  |          |
|------------------------------------|-------------------|-------------------|----------|------------------|----------|
|                                    |                   | Reserve           | Debt     | Capital          | Other    |
| 152 Contingency                    | 2,296,510         | 2,296,510         | -        | -                | -        |
| 156 Impact Fees                    | 3,111,739         | 1,823,102         | -        | 1,288,637        | -        |
| 190 Excise Tax Capital Improvement | 12,597,175        | 6,577,013         | -        | 6,020,162        | -        |
| <b>Total Special Revenue Funds</b> | <b>18,005,424</b> | <b>10,696,625</b> | <b>-</b> | <b>7,308,799</b> | <b>-</b> |

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2011 to Ending 2014)**  
**GENERAL GOVERNMENT NON-OPERATING**  
**SPECIAL REVENUE FUNDS**

|  | <b>Contingency</b> | <b>Impact Fees</b> | <b>Excise Tax Capital Improvement</b> | <b>Total</b>      |
|--|--------------------|--------------------|---------------------------------------|-------------------|
| <b>2011 Actual Beginning Fund Balance</b>                        | <b>2,051,870</b>   | <b>524,628</b>     | <b>8,651,975</b>                      | <b>11,228,473</b> |
| <i>Reserved</i>  | <i>2,051,870</i>   | <i>1,731,783</i>   | <i>5,145,601</i>                      | <i>8,929,254</i>  |
| <i>Unreserved Working Capital</i>                                | <i>-</i>           | <i>(1,207,155)</i> | <i>3,506,374</i>                      | <i>2,299,219</i>  |
| Plus: 2011-12 Estimated Revenues                                 | 194,640            | 1,617,666          | 8,849,940                             | <b>10,662,246</b> |
| Less: 2011-12 Estimated Expenditures                             | -                  | 237,685            | 11,988,752                            | <b>12,226,437</b> |
| <b>2011-12 Estimated Ending Fund Balance</b>                     | <b>2,246,510</b>   | <b>1,904,609</b>   | <b>5,513,163</b>                      | <b>9,664,282</b>  |
| Less: Funding for Carryovers to 2013                             | -                  | -                  | -                                     | -                 |
| <b>2013 Budgeted Beginning Fund Balance</b>                      | <b>2,246,510</b>   | <b>1,904,609</b>   | <b>5,513,163</b>                      | <b>9,664,282</b>  |
| Plus: 2013-14 Budgeted Revenues                                  | 50,000             | 1,207,130          | 7,084,012                             | <b>8,341,142</b>  |
| Less: 2013-14 Budgeted Expenditures                              | -                  | 1,288,637          | 6,020,162                             | <b>7,308,799</b>  |
| <b>2014 Budgeted Ending Fund Balance</b>                         | <b>2,296,510</b>   | <b>1,823,102</b>   | <b>6,577,013</b>                      | <b>10,696,625</b> |
| <i>Reserved</i>  | <i>2,296,510</i>   | <i>1,823,102</i>   | <i>6,577,013</i>                      | <i>10,696,625</i> |
| <i>Unreserved Working Capital</i>                                | <i>-</i>           | <i>-</i>           | <i>-</i>                              | <i>-</i>          |
| <b>Change in Fund Balance:<br/>Beginning 2011 to Ending 2014</b> | <b>244,640</b>     | <b>1,298,474</b>   | <b>(2,074,962)</b>                    | <b>(531,848)</b>  |

**Notes:**

Increases in fund balance of these special revenue funds reflect the building or replenishment of a reserve; whereas decreases in fund balance reflect the planned use of a reserve toward capital projects.



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Debt Service Funds account for the payment of general obligation bond principal and interest from governmental resources and the payment of special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

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**GENERAL GOVERNMENT  
DEBT SERVICE FUNDS**



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**CITY OF KIRKLAND**

***GENERAL GOVERNMENT DEBT SERVICE FUNDS***

There are three types of debt generally issued by the City for general government purposes:

- **Unlimited Tax General Obligation (UTGO) Bonds** represent debt that was approved by voters for a specific purpose. In this case, citizens have agreed to levy property taxes to repay the debt generally over a twenty-year period.
- **Limited Tax General Obligation (LTGO) Bonds** (also called Councilmanic Bonds) can be issued with approval of the City Council. The debt is repaid from general revenues of the City.
- **Local Improvement District (LID) Bonds** represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the City. LIDs are formed by the City Council after a majority of property owners agree to the assessment. Currently the City has no LID Bonds outstanding.

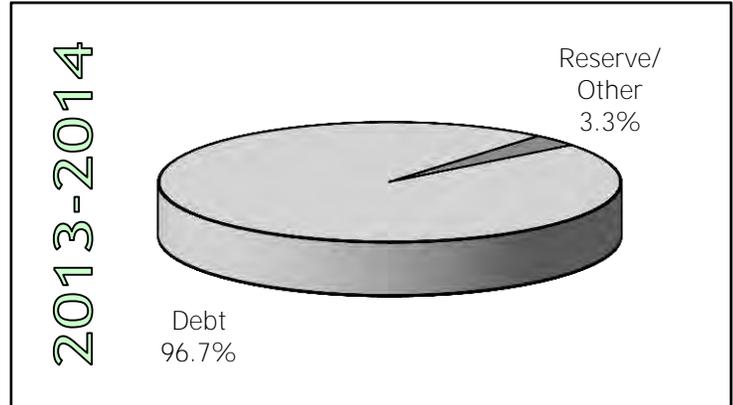
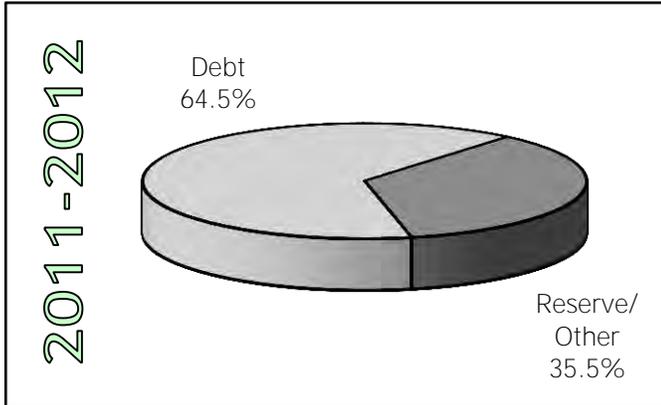
The City's debt management policies provide guidelines for the appropriate use of debt. The complete policies are contained at the end of this document in the appendix. Some key debt management policies include:

- *City Council approval is required prior to issuance of debt.*
- *The City will only use debt to finance capital improvements that cannot be financed through current revenues. The City will not use debt to finance current operations, non-capital furnishings, supplies, or personnel.*
- *Bonds will be issued for a period not to exceed the useful life of the asset being financed.*
- *The City will conduct a thorough analytical review before issuing debt and maintain a good credit rating at all times.*
- *The City's outstanding debt will remain within the limits stated in the City's fiscal policies.*
- *The City will use refunding bonds (refinancing) to restructure current outstanding debt when sufficient savings can be realized from lower interest rates.*

When the City issues debt, a thorough review of the City's financial condition is completed by bond rating agencies. Based on their findings, the bonds are given a rating. The City's bond rating is a reflection of its creditworthiness and affects the cost to the City of issuing debt. There are two rating agencies-- Standard and Poor's (S&P) and Moody's Investor Service--that rate Kirkland's bonds. As of November 2008, S&P upgraded the City's rating from AA to AAA, which is the highest rating. As of April 2010, Moody's upgraded the City's rating from Aa2 to Aa1 for the UTGO Bonds and from Aa3 to Aa2 for the LTGO Bonds.

Once bonds are rated, the City enters the bond market to secure the necessary funding. Occasionally, the City will conduct an "over-the-counter" sale where City staff sell bonds directly to Kirkland residents. The proceeds (cash) received from selling the bonds are placed in a capital projects fund to account for the cost of constructing the capital improvement. Separate funds have been created to track the principal and interest payments for limited and unlimited bonds. Each year a sufficient amount of revenue is budgeted and placed in each fund to pay the annual principal and interest due.

# CITY OF KIRKLAND GENERAL GOVERNMENT NON-OPERATING DEBT SERVICE FUNDS



Debt service funds are used to account for principal and interest payments used for the retirement of long-term debt. Debt is used by the City as a means of financing capital improvements. By extending the repayment of debt over the anticipated useful life of the improvement, the cost of an improvement can be more equitably spread among the citizens who benefit from the improvement. Bonds are sold and the proceeds (cash) are used to pay for the construction of capital improvements. The bonds are repaid over a period of time from taxes, fees, or other revenue sources dedicated for that purpose.

## 2011-2012 BUDGET SUMMARY: BY PURPOSE

| Fund                            | 2011-12 Budget    | Budget by Purpose |                  |          |          |
|---------------------------------|-------------------|-------------------|------------------|----------|----------|
|                                 |                   | Reserve           | Debt             | Capital  | Other    |
| 210 LTGO Debt Service           | 11,370,553        | 4,489,287         | 6,881,266        | -        | -        |
| 220 UTGO Debt Service           | 2,144,487         | 306,176           | 1,838,311        | -        | -        |
| <b>Total Debt Service Funds</b> | <b>13,515,040</b> | <b>4,795,463</b>  | <b>8,719,577</b> | <b>-</b> | <b>-</b> |

## 2013-2014 BUDGET SUMMARY: BY PURPOSE

| Fund                            | 2013-14 Budget   | Budget by Purpose |                  |          |          |
|---------------------------------|------------------|-------------------|------------------|----------|----------|
|                                 |                  | Reserve           | Debt             | Capital  | Other    |
| 210 LTGO Debt Service           | 7,719,330        | 7,001             | 7,712,329        | -        | -        |
| 220 UTGO Debt Service           | 1,770,853        | 306,693           | 1,464,160        | -        | -        |
| <b>Total Debt Service Funds</b> | <b>9,490,183</b> | <b>313,694</b>    | <b>9,176,489</b> | <b>-</b> | <b>-</b> |

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2011 to Ending 2014)**  
**GENERAL GOVERNMENT NON-OPERATING**

**DEBT SERVICE FUNDS**

|  | <b>Limited<br/>GO Debt<sup>1</sup></b> | <b>Unlimited<br/>GO Debt</b> | <b>Total</b>      |
|--|--|------------------------------|-------------------|
| <b>2011 Actual Beginning Fund Balance</b>                        | <b>22,363</b>                          | <b>306,176</b>               | <b>328,539</b>    |
| <i>Reserved</i>  | <i>363</i>                             | <i>306,176</i>               | <i>306,539</i>    |
| <i>Unreserved Working Capital</i>                                | <i>22,000</i>                          | <i>-</i>                     | <i>22,000</i>     |
| Plus: 2011-12 Estimated Revenues                                 | 11,336,004                             | 1,869,519                    | <b>13,205,523</b> |
| Less: 2011-12 Estimated Expenditures                             | 11,351,366                             | 1,869,002                    | <b>13,220,368</b> |
| <b>2011-12 Estimated Ending Fund Balance</b>                     | <b>7,001</b>                           | <b>306,693</b>               | <b>313,694</b>    |
| Less: Funding for Carryovers to 2013                             | -                                      | -                            | -                 |
| <b>2013 Budgeted Beginning Fund Balance</b>                      | <b>7,001</b>                           | <b>306,693</b>               | <b>313,694</b>    |
| Plus: 2013-14 Budgeted Revenues                                  | 7,712,329                              | 1,464,160                    | <b>9,176,489</b>  |
| Less: 2013-14 Budgeted Expenditures                              | 7,712,329                              | 1,464,160                    | <b>9,176,489</b>  |
| <b>2014 Budgeted Ending Fund Balance</b>                         | <b>7,001</b>                           | <b>306,693</b>               | <b>313,694</b>    |
| <i>Reserved</i>  | <i>-</i>                               | <i>-</i>                     | <i>-</i>          |
| <i>Unreserved Working Capital</i>                                | <i>7,001</i>                           | <i>306,693</i>               | <i>313,694</i>    |
| <b>Change in Fund Balance:<br/>Beginning 2011 to Ending 2014</b> | <b>(15,362)</b>                        | <b>517</b>                   | <b>(14,845)</b>   |

**Notes:**

Fund balances in debt service funds provide for cash flow needs.

<sup>1</sup>The reduction in Limited GO Debt working capital is due to planned use of cash in excess of required funding.

**CITY OF KIRKLAND  
GENERAL GOVERNMENT NON-OPERATING  
DEBT SERVICE FUNDS  
2013-2014 PAYMENT AND RESERVE SUMMARY**

**2011-12 BUDGET**

| Fund                            | Payment          |                  | Reserve        | Total            |
|---------------------------------|------------------|------------------|----------------|------------------|
|                                 | Principal        | Interest         |                |                  |
| 210 LTGO Debt Service           | 2,640,000        | 3,722,014        | 75,363         | 6,437,377        |
| 220 UTGO Debt Service           | 1,265,000        | 573,311          | 306,539        | 2,144,850        |
| <b>Total Debt Service Funds</b> | <b>3,905,000</b> | <b>4,295,325</b> | <b>381,902</b> | <b>8,582,227</b> |

**2013-14 BUDGET**

| Fund                            | Payment          |                  | Reserve        | Total            |
|---------------------------------|------------------|------------------|----------------|------------------|
|                                 | Principal        | Interest         |                |                  |
| 210 LTGO Debt Service           | 3,944,400        | 3,767,929        | 7,001          | 7,719,330        |
| 220 UTGO Debt Service           | 474,160          | 990,000          | 306,693        | 1,770,853        |
| <b>Total Debt Service Funds</b> | <b>4,418,560</b> | <b>4,757,929</b> | <b>313,694</b> | <b>9,490,183</b> |

## CITY OF KIRKLAND SCHEDULE OF LONG TERM DEBT

The City uses long term debt to finance the cost of large capital improvements. Councilmanic debt is repaid from general revenues. Voter approved debt is retired from property tax increases put in place for the life of the bond issue. Revenue bonds are repaid from water/sewer utility rates. The following schedule identifies current outstanding long-term debt.

| Type of Debt  | Issue Date | Original Amount   | Outstanding 12/31/2012 | Cost Per \$1,000 AV | Avg Annual Debt Service* |
|---|------------|-------------------|------------------------|---------------------|--------------------------|
| <b>Councilmanic Bonds:</b>  |            |                   |                        |                     |                          |
| 2011 Limited G.O. (Teen Center) <sup>1</sup>                                  | 9/2/11     | 1,025,000         | 385,000                | N/A                 | 60,959                   |
| 2011 Limited G.O. Refunding (City Hall) <sup>2</sup>                          | 9/2/11     | 3,595,000         | 639,981                | N/A                 | 331,320                  |
| 2011 Limited G.O. Refunding (Library) <sup>2</sup>                            | 9/2/11     | 4,190,000         | 749,125                | N/A                 | 387,809                  |
| 2011 Limited G.O. Refunding (McAuliffe) <sup>2</sup>                          | 9/2/11     | 2,945,000         | 1,570,894              | N/A                 | 197,298                  |
| 2010 Limited G.O. (Facilities Expansion)                                      | 12/21/10   | 35,345,000        | 34,570,000             | N/A                 | 2,352,530                |
| <b>Total Councilmanic Bonds</b>   |            | <b>47,100,000</b> | <b>37,915,000</b>      |                     | <b>3,329,916</b>         |
| <b>Estimated Remaining Legal Councilmanic Debt Capacity as of 12/31/2012:</b> |            |                   |                        | <b>\$</b>           | <b>175,866,641</b>       |
| <b>Voter Approved Bonds:</b>  |            |                   |                        |                     |                          |
| 1995 Unlimited G.O. Public Safety   | 8/1/95     | 1,020,000         | 165,000                | 0.009               | 89,625                   |
| 2003 Unlimited G.O. Parks   | 1/30/03    | 8,400,000         | 4,975,000              | 0.062               | 644,053                  |
| <b>Total Voter Approved Bonds</b>   |            | <b>9,420,000</b>  | <b>5,140,000</b>       | <b>0.070</b>        | <b>733,678</b>           |
| <b>Estimated Remaining Voter Approved Debt Capacity as of 12/31/2012:</b>     |            |                   |                        | <b>\$</b>           | <b>1,026,120,535</b>     |
| <b>Fire District #41 Bond:</b>  |            |                   |                        |                     |                          |
| 2011 Limited G.O. (Fire Station Construction)                                 | 5/26/11    | 4,000,000         | 3,654,687              | N/A                 | 470,572                  |
| <b>Total Fire District #41 Bond</b>   |            | <b>4,000,000</b>  | <b>3,654,687</b>       |                     | <b>470,572</b>           |
| <b>Revenue Bonds:</b>   |            |                   |                        |                     |                          |
| 2004 Water/Sewer Rev and Refunding  | 8/1/04     | 3,090,000         | 935,000                | N/A                 | 486,350                  |
| <b>Public Works Trust Fund Loans:</b>   |            |                   |                        |                     |                          |
| 1993 Sewer Line Replacement   | 8/5/93     | 823,368           | 43,335                 | N/A                 | 43,768                   |
| 1994A Water Line Replacement  | 7/26/94    | 1,231,700         | 129,603                | N/A                 | 65,774                   |
| 1994B Sewer Line Replacement  | 7/26/94    | 1,165,500         | 123,366                | N/A                 | 62,608                   |
| 1995 Lift Station   | 6/9/95     | 794,850           | 133,566                | N/A                 | 45,412                   |
| 2000 Lift Station Replacement-Design  | 7/1/00     | 227,500           | 87,745                 | N/A                 | 13,036                   |
| 2001 Lift Station Replacement-Construction                                    | 9/15/03    | 1,848,000         | 926,718                | N/A                 | 105,543                  |
| 2004 Central Way Sewer Replacement  | 9/1/04     | 1,086,300         | 687,990                | N/A                 | 59,195                   |
| <b>Total Revenue Bonds &amp; Trust Fund Loans</b>                             |            | <b>10,267,218</b> | <b>3,067,323</b>       |                     | <b>881,686</b>           |

\*The average annual debt service is based on the remaining principal and interest payments due until the debt is extinguished.

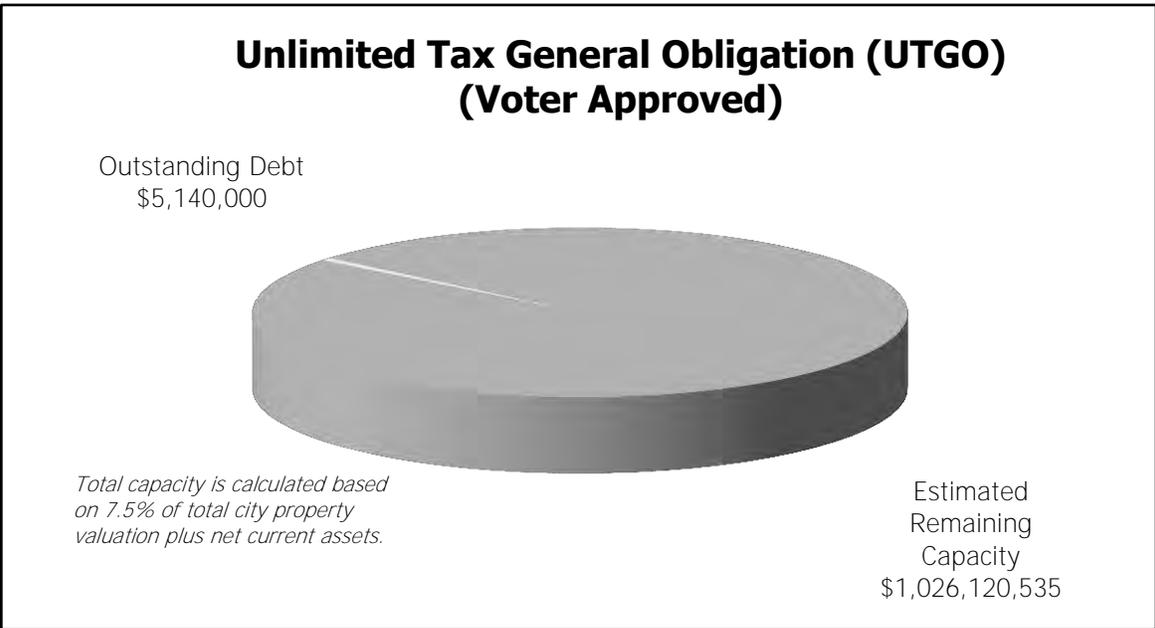
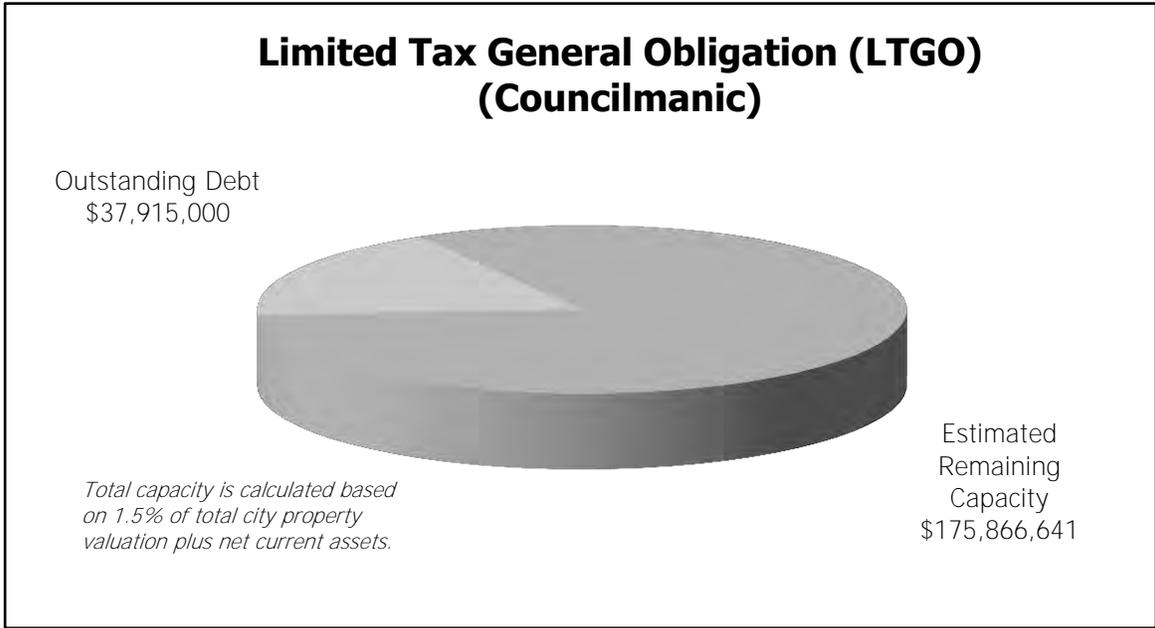
<sup>1</sup> Refunds Original 1999 Issue with 2011 Refund

<sup>2</sup> Refunds 2001 Refund with 2011 Refund

Note: On May 26, 2010, Fire Protection District #41 issued \$4 million in Limited Tax General Obligation Bonds to finance the Consolidated Fire Station Project. On June 1, 2011, the Fire District ceased operation when the City of Kirkland annexed all the territory served by the District. The outstanding debt remains an obligation of the taxable property which was annexed.

**CITY OF KIRKLAND  
DEBT CAPACITY**

Washington State law imposes limitations on the total amount of debt that a city can have outstanding to 7.5 percent of total assessed property valuation plus the net of current assets and liabilities. This comprises the City's "Debt Capacity" at any one time. The City Council has authority to issue bonds without voter approval (Councilmanic) for a combined total of up to 1.5 percent of the City's assessed valuation. The following graphs compare the total estimated capacity available to the City's indebtedness:



**City of Kirkland**

**1999 Limited General Obligation Bonds**

**Now a portion of the 2011 LTGO REFUNDING BONDS**

**Purpose: Teen Center Design and Construction**

|                 |           |                   |            |
|-----------------|-----------|-------------------|------------|
| Denomination    | \$5,000   | Date of Bond Sale | 9/2/2011   |
| Amount of Issue | \$430,000 | Net Interest Rate | 5.723%     |
| Ordinance       | 4317      | Org:              | 2100009111 |

**DEBT SERVICE SCHEDULE**

| Year   | Interest Dates: |            | Interest Rate | Maturity Date | Principal Amount | Total Payment | Principal Balance |
|--------|-----------------|------------|---------------|---------------|------------------|---------------|-------------------|
|        | June 1          | December 1 |               |               |                  |               |                   |
| 2011   |                 | 0          | 2.00%         | 12/1/2011     |                  | 0             | 430,000           |
| 2012   | 7,189           | 4,810      | 2.00%         | 12/1/2012     | 45,000           | 56,999        | 385,000           |
| 2013   | 4,431           | 4,431      | 2.00%         | 12/1/2013     | 50,000           | 58,862        | 335,000           |
| 2014   | 4,055           | 4,055      | 2.00%         | 12/1/2014     | 55,000           | 63,110        | 280,000           |
| 2015   | 3,792           | 3,792      | 2.00%         | 12/1/2015     | 50,000           | 57,584        | 230,000           |
| 2016   | 3,252           | 3,252      | 2.00%         | 12/1/2016     | 55,000           | 61,504        | 175,000           |
| 2017   | 2,625           | 2,625      | 2.00%         | 12/1/2017     | 55,000           | 60,250        | 120,000           |
| 2018   | 1,800           | 1,800      | 2.00%         | 12/1/2018     | 60,000           | 63,600        | 60,000            |
| 2019   | 900             | 900        | 2.00%         | 12/1/2019     | 60,000           | 61,800        | 0                 |
| Totals | 28,044          | 25,665     |               |               | 430,000          | 483,709       |                   |

**City of Kirkland**  
**2011 Limited General Obligation Bonds**

**Purpose: Refunds 1994 LTGO City Hall Bonds/2001 Refund**

|                 |            |                   |            |
|-----------------|------------|-------------------|------------|
| Denomination    | \$5,000    | Date of Bond Sale | 9/2/2011   |
| Amount of Issue | \$ 942,607 | Net Interest Rate | 2.000%     |
| Ordinance       | 4317       | Org:              | 2100009111 |

**DEBT SERVICE SCHEDULE**

| Year   | Interest Dates: |            | Interest Rate | Maturity Date | Principal Amount | Total Payment | Principal Balance |
|--------|-----------------|------------|---------------|---------------|------------------|---------------|-------------------|
|        | June 1          | December 1 |               |               |                  |               |                   |
| 2011   |                 |            | 2.00%         | 12/1/2011     |                  | -             | 942,607           |
| 2012   | 15,759          | 10,545     | 2.00%         | 12/1/2012     | 302,626          | 328,930       | 639,981           |
| 2013   | 7,366           | 7,366      | 2.00%         | 12/1/2013     | 312,549          | 327,281       | 327,432           |
| 2014   | 3,963           | 3,963      | 2.00%         | 12/1/2014     | 327,432          | 335,358       | 0                 |
| Totals | 27,088          | 21,874     |               |               | 942,607          | 991,569       |                   |

**City of Kirkland**

**2011 Limited General Obligation Bonds**

**Purpose: Refunds 1994 LTGO Library Parking Garage Bonds/2001 Refund**

|                 |              |                   |            |
|-----------------|--------------|-------------------|------------|
| Denomination    | \$5,000      | Date of Bond Sale | 9/2/2011   |
| Amount of Issue | \$ 1,101,362 | Net Interest Rate | 2.000%     |
| Ordinance       | 4317         | Org:              | 2100009111 |

**DEBT SERVICE SCHEDULE**

| Year   | Interest Dates: |            | Interest Rate | Maturity Date | Principal Amount | Total Payment | Principal Balance |
|--------|-----------------|------------|---------------|---------------|------------------|---------------|-------------------|
|        | June 1          | December 1 |               |               |                  |               |                   |
| 2011   |                 |            | 2.00%         | 12/1/2011     |                  | -             | 1,101,362         |
| 2012   | 18,413          | 12,321     | 2.00%         | 12/1/2012     | 352,237          | 382,971       | 749,125           |
| 2013   | 8,622           | 8,622      | 2.00%         | 12/1/2013     | 367,121          | 384,365       | 382,004           |
| 2014   | 4,624           | 4,624      | 2.00%         | 12/1/2014     | 382,004          | 391,252       | 0                 |
| Totals | 31,659          | 25,567     |               |               | 1,101,362        | 1,158,588     |                   |

**City of Kirkland  
2011 Limited General Obligation Bonds**

**Purpose: Refunds McAuliffe Private Placement Takeout Bonds 2001**

|                 |             |                   |            |
|-----------------|-------------|-------------------|------------|
| Denomination    | \$5,000     | Date of Bond Sale | 9/2/2011   |
| Amount of Issue | \$1,781,031 | Net Interest Rate | 2.000%     |
| Ordinance       | 4317        | Org:              | 2100009111 |

**DEBT SERVICE SCHEDULE**

| Year   | Interest Dates: |            | Interest Rate | Maturity Date | Principal Amount | Total Payment | Principal Balance |
|--------|-----------------|------------|---------------|---------------|------------------|---------------|-------------------|
|        | June 1          | December 1 |               |               |                  |               |                   |
| 2011   |                 |            | 2.00%         | 12/1/2011     |                  | -             | 1,781,031         |
| 2012   | 29,776          | 19,924     | 2.00%         | 12/1/2012     | 210,137          | 259,837       | 1,570,894         |
| 2013   | 18,081          | 18,081     | 2.00%         | 12/1/2013     | 215,330          | 251,492       | 1,355,564         |
| 2014   | 16,408          | 16,408     | 2.00%         | 12/1/2014     | 210,564          | 243,380       | 1,145,000         |
| 2015   | 15,508          | 15,508     | 2.00%         | 12/1/2015     | 155,000          | 186,016       | 990,000           |
| 2016   | 13,998          | 13,998     | 2.00%         | 12/1/2016     | 155,000          | 182,996       | 835,000           |
| 2017   | 12,525          | 12,525     | 2.00%         | 12/1/2017     | 155,000          | 180,050       | 680,000           |
| 2018   | 10,200          | 10,200     | 2.00%         | 12/1/2018     | 160,000          | 180,400       | 520,000           |
| 2019   | 7,800           | 7,800      | 2.00%         | 12/1/2019     | 170,000          | 185,600       | 350,000           |
| 2020   | 5,250           | 5,250      | 2.00%         | 12/1/2020     | 175,000          | 185,500       | 175,000           |
| 2021   | 2,625           | 2,625      | 2.00%         | 12/1/2021     | 175,000          | 180,250       | 0                 |
| Totals | 132,171         | 122,319    |               |               | 1,781,031        | 2,035,521     |                   |

**City of Kirkland**  
**2010 Build America Bonds and Recovery Zone Economic Development Bonds**

**Purpose: Facilities Expansion**

|                 |              |                   |            |
|-----------------|--------------|-------------------|------------|
| Amount of Issue | \$35,345,000 | Date of Bond Sale | 12/21/2010 |
| Ordinance       | 4272         | Net Interest Rate | 3.583%     |
|                 |              | Org:              | 2100009010 |

**DEBT SERVICE SCHEDULE**

| Year   | Interest Dates: |            | Interest Rate | Maturity Date | Principal Amount | Total Payment | Principal Balance |
|--------|-----------------|------------|---------------|---------------|------------------|---------------|-------------------|
|        | June 1          | December 1 |               |               |                  |               |                   |
| 2011   | 765,233         | 860,888    | 0.90%         | 12/1/2011     | 135,000          | 1,761,121     | 35,210,000        |
| 2012   | 860,280         | 860,280    | 1.20%         | 12/1/2012     | 640,000          | 2,360,560     | 34,570,000        |
| 2013   | 856,440         | 856,440    | 1.50%         | 12/1/2013     | 645,000          | 2,357,880     | 33,925,000        |
| 2014   | 851,603         | 851,603    | 1.80%         | 12/1/2014     | 655,000          | 2,358,205     | 33,270,000        |
| 2015   | 845,708         | 845,708    | 2.20%         | 12/1/2015     | 990,000          | 2,681,415     | 32,280,000        |
| 2016   | 834,818         | 834,818    | 2.75%         | 12/1/2016     | 1,010,000        | 2,679,635     | 31,270,000        |
| 2017   | 820,930         | 820,930    | 3.00%         | 12/1/2017     | 1,030,000        | 2,671,860     | 30,240,000        |
| 2018   | 805,480         | 805,480    | 3.40%         | 12/1/2018     | 1,045,000        | 2,655,960     | 29,195,000        |
| 2019   | 787,715         | 787,715    | 3.75%         | 12/1/2019     | 1,070,000        | 2,645,430     | 28,125,000        |
| 2020   | 767,653         | 767,653    | 4.00%         | 12/1/2020     | 1,195,000        | 2,730,305     | 26,930,000        |
| 2021   | 743,753         | 743,753    | 4.20%         | 12/1/2021     | 805,000          | 2,292,505     | 26,125,000        |
| 2022   | 726,848         | 726,848    | 4.40%         | 12/1/2022     | 1,000,000        | 2,453,695     | 25,125,000        |
| 2023   | 704,848         | 704,848    | 4.60%         | 12/1/2023     | 1,030,000        | 2,439,695     | 24,095,000        |
| 2024   | 681,158         | 681,158    | 4.75%         | 12/1/2024     | 1,060,000        | 2,422,315     | 23,035,000        |
| 2025   | 655,983         | 655,983    | 4.90%         | 12/1/2025     | 1,095,000        | 2,406,965     | 21,940,000        |
| 2026   | 629,155         | 629,155    | 5.10%         | 12/1/2026     | 1,125,000        | 2,383,310     | 20,815,000        |
| 2027   | 600,468         | 600,468    | 5.25%         | 12/1/2027     | 1,165,000        | 2,365,935     | 19,650,000        |
| 2028   | 569,886         | 569,886    | 5.40%         | 12/1/2028     | 1,205,000        | 2,344,773     | 18,445,000        |
| 2029   | 537,351         | 537,351    | 5.50%         | 12/1/2029     | 1,245,000        | 2,319,703     | 17,200,000        |
| 2030   | 503,114         | 503,114    | 5.55%         | 12/1/2030     | 1,290,000        | 2,296,228     | 15,910,000        |
| 2031   | 467,316         | 467,316    | 5.60%         | 12/1/2031     | 1,340,000        | 2,274,633     | 14,570,000        |
| 2032   | 429,796         | 429,796    | 5.875%        | 12/1/2032     | 1,390,000        | 2,249,593     | 13,180,000        |
| 2033   | 388,965         | 388,965    | 5.875%        | 12/1/2033     | 1,440,000        | 2,217,930     | 11,740,000        |
| 2034   | 346,665         | 346,665    | 5.875%        | 12/1/2034     | 1,495,000        | 2,188,330     | 10,245,000        |
| 2035   | 302,749         | 302,749    | 5.875%        | 12/1/2035     | 1,555,000        | 2,160,499     | 8,690,000         |
| 2036   | 257,071         | 257,071    | 5.875%        | 12/1/2036     | 1,610,000        | 2,124,143     | 7,080,000         |
| 2037   | 209,778         | 209,778    | 5.90%         | 12/1/2037     | 1,675,000        | 2,094,555     | 5,405,000         |
| 2038   | 160,365         | 160,365    | 5.90%         | 12/1/2038     | 1,735,000        | 2,055,730     | 3,670,000         |
| 2039   | 109,183         | 109,183    | 5.95%         | 12/1/2039     | 1,800,000        | 2,018,365     | 1,870,000         |
| 2040   | 55,633          | 55,633     | 5.95%         | 12/1/2040     | 1,870,000        | 1,981,265     | 0                 |
| Totals | 17,275,940      | 17,371,594 |               |               | 35,345,000       | 69,992,535    |                   |

**City of Kirkland****1995 Unlimited General Obligation Bonds****Purpose: Public Safety Forbes Creek Fire Station Construction**

|                 |             |                   |            |
|-----------------|-------------|-------------------|------------|
| Denomination    | \$5,000     | Date of Bond Sale | 8/1/1995   |
| Amount of Issue | \$1,020,000 | Net Interest Rate | 5.487%     |
| Ordinance       | 3483        | Org:              | 2200009951 |

**DEBT SERVICE SCHEDULE**

| Year   | Interest Dates |            | Interest Rate | Maturity Date | Principal Amount | Total Payment | Principal Balance |
|--------|----------------|------------|---------------|---------------|------------------|---------------|-------------------|
|        | June 1         | December 1 |               |               |                  |               |                   |
| 1995   | 0              | 18,985     | 7.00%         | 12/1/1995     | 0                | 18,985        | 1,020,000         |
| 1996   | 28,478         | 28,478     | 7.00%         | 12/1/1996     | 15,000           | 71,955        | 1,005,000         |
| 1997   | 27,953         | 27,953     | 7.00%         | 12/1/1997     | 35,000           | 90,905        | 970,000           |
| 1998   | 26,728         | 26,728     | 7.00%         | 12/1/1998     | 35,000           | 88,455        | 935,000           |
| 1999   | 25,503         | 25,503     | 7.00%         | 12/1/1999     | 40,000           | 91,005        | 895,000           |
| 2000   | 24,103         | 24,103     | 7.00%         | 12/1/2000     | 40,000           | 88,205        | 855,000           |
| 2001   | 22,703         | 22,703     | 4.65%         | 12/1/2001     | 45,000           | 90,405        | 810,000           |
| 2002   | 21,656         | 21,656     | 4.75%         | 12/1/2002     | 45,000           | 88,313        | 765,000           |
| 2003   | 20,588         | 20,588     | 4.85%         | 12/1/2003     | 45,000           | 86,175        | 720,000           |
| 2004   | 19,496         | 19,496     | 4.95%         | 12/1/2004     | 50,000           | 88,993        | 670,000           |
| 2005   | 18,259         | 18,259     | 5.05%         | 12/1/2005     | 50,000           | 86,518        | 620,000           |
| 2006   | 16,996         | 16,996     | 5.10%         | 12/1/2006     | 55,000           | 88,993        | 565,000           |
| 2007   | 15,594         | 15,594     | 5.20%         | 12/1/2007     | 60,000           | 91,188        | 505,000           |
| 2008   | 14,034         | 14,034     | 5.30%         | 12/1/2008     | 60,000           | 88,068        | 445,000           |
| 2009   | 12,444         | 12,444     | 5.40%         | 12/1/2009     | 65,000           | 89,888        | 380,000           |
| 2010   | 10,689         | 10,689     | 5.50%         | 12/1/2010     | 70,000           | 91,378        | 310,000           |
| 2011   | 8,764          | 8,764      | 5.55%         | 12/1/2011     | 70,000           | 87,528        | 240,000           |
| 2012   | 6,821          | 6,821      | 5.65%         | 12/1/2012     | 75,000           | 88,643        | 165,000           |
| 2013   | 4,703          | 4,703      | 5.70%         | 12/1/2013     | 80,000           | 89,405        | 85,000            |
| 2014   | 2,423          | 2,423      | 5.70%         | 12/1/2014     | 85,000           | 89,845        | 0                 |
| Totals | 327,930        | 346,915    |               |               | 1,020,000        | 1,694,845     |                   |

**City of Kirkland**  
**2003 Unlimited General Obligation Bonds**

**Purpose: Park Acquisition and Improvements**

|                 |             |                   |            |
|-----------------|-------------|-------------------|------------|
| Denomination    | \$5,000     | Date of Bond Sale | 1/30/2003  |
| Amount of Issue | \$8,400,000 | Net Interest Rate | 4.408%     |
| Ordinance       | 3878        | Org:              | 2200009031 |

**DEBT SERVICE SCHEDULE**

| Year   | Interest Dates: |            | Interest Rate | Maturity Date | Principal Amount | Total Payment | Principal Balance |
|--------|-----------------|------------|---------------|---------------|------------------|---------------|-------------------|
|        | June 1          | December 1 |               |               |                  |               |                   |
| 2003   | 121,513         | 160,826    | 1.20%         | 12/1/2003     | 335,000          | 617,339       | 8,065,000         |
| 2004   | 158,816         | 158,816    | 1.20%         | 12/1/2004     | 305,000          | 622,633       | 7,760,000         |
| 2005   | 156,986         | 156,986    | 1.45%         | 12/1/2005     | 315,000          | 628,973       | 7,445,000         |
| 2006   | 154,703         | 154,703    | 1.85%         | 12/1/2006     | 320,000          | 629,405       | 7,125,000         |
| 2007   | 151,743         | 151,743    | 2.20%         | 12/1/2007     | 330,000          | 633,485       | 6,795,000         |
| 2008   | 148,113         | 148,113    | 2.60%         | 12/1/2008     | 340,000          | 636,225       | 6,455,000         |
| 2009   | 143,693         | 143,693    | 3.00%         | 12/1/2009     | 350,000          | 637,385       | 6,105,000         |
| 2010   | 138,443         | 138,443    | 3.20%         | 12/1/2010     | 365,000          | 641,885       | 5,740,000         |
| 2011   | 132,603         | 132,603    | 3.50%         | 12/1/2011     | 375,000          | 640,205       | 5,365,000         |
| 2012   | 126,040         | 126,040    | 3.70%         | 12/1/2012     | 390,000          | 642,080       | 4,975,000         |
| 2013   | 118,825         | 118,825    | 3.80%         | 12/1/2013     | 405,000          | 642,650       | 4,570,000         |
| 2014   | 111,130         | 111,130    | 4.00%         | 12/1/2014     | 420,000          | 642,260       | 4,150,000         |
| 2015   | 102,730         | 102,730    | 4.00%         | 12/1/2015     | 440,000          | 645,460       | 3,710,000         |
| 2016   | 93,930          | 93,930     | 4.10%         | 12/1/2016     | 460,000          | 647,860       | 3,250,000         |
| 2017   | 84,500          | 84,500     | 5.20%         | 12/1/2017     | 490,000          | 659,000       | 2,760,000         |
| 2018   | 71,760          | 71,760     | 5.20%         | 12/1/2018     | 510,000          | 653,520       | 2,250,000         |
| 2019   | 58,500          | 58,500     | 5.20%         | 12/1/2019     | 520,000          | 637,000       | 1,730,000         |
| 2020   | 44,980          | 44,980     | 5.20%         | 12/1/2020     | 550,000          | 639,960       | 1,180,000         |
| 2021   | 30,680          | 30,680     | 5.20%         | 12/1/2021     | 575,000          | 636,360       | 605,000           |
| 2022   | 15,730          | 15,730     | 5.20%         | 12/1/2022     | 605,000          | 636,460       | 0                 |
| Totals | 2,165,416       | 2,204,729  |               |               | 8,400,000        | 12,770,144    |                   |

**City of Kirkland**

**Fire District #41 Bond (Issued by Fire District prior to Annexation)**

**Purpose: Fire Station Construction**

|                 |           |                   |            |
|-----------------|-----------|-------------------|------------|
| Denomination    | n/a       | Date of Bond Sale | 5/26/2011  |
| Amount of Issue | 4,000,000 | Net Interest Rate | 3.200%     |
| Ordinance       | n/a       | Org:              | 2100009110 |

**DEBT SERVICE SCHEDULE**

| Year   | Interest Dates: |            | Interest Rate | Maturity Date | Principal Amount | Total Payment | Principal Balance |
|--------|-----------------|------------|---------------|---------------|------------------|---------------|-------------------|
|        | June 1          | December 1 |               |               |                  |               |                   |
| 2011   |                 | 65,778     | 3.20%         | 12/1/2011     |                  | 65,778        | 4,000,000         |
| 2012   | 64,000          | 61,259     | 3.20%         | 12/1/2012     | 345,313          | 470,572       | 3,654,687         |
| 2013   | 58,475          | 55,646     | 3.20%         | 12/1/2013     | 356,451          | 470,572       | 3,298,236         |
| 2014   | 52,772          | 49,852     | 3.20%         | 12/1/2014     | 367,949          | 470,572       | 2,930,287         |
| 2015   | 46,885          | 43,870     | 3.20%         | 12/1/2015     | 379,817          | 470,572       | 2,550,470         |
| 2016   | 40,808          | 37,696     | 3.20%         | 12/1/2016     | 392,069          | 470,572       | 2,158,401         |
| 2017   | 34,534          | 31,322     | 3.20%         | 12/1/2017     | 404,715          | 470,572       | 1,753,686         |
| 2018   | 28,059          | 24,743     | 3.20%         | 12/1/2018     | 417,770          | 470,572       | 1,335,916         |
| 2019   | 21,375          | 17,952     | 3.20%         | 12/1/2019     | 431,245          | 470,572       | 904,670           |
| 2020   | 14,475          | 10,942     | 3.20%         | 12/1/2019     | 445,156          | 470,572       | 459,515           |
| 2021   | 7,352           | 3,705      | 3.20%         | 12/1/2019     | 459,515          | 470,572       | -                 |
| Totals | 368,734         | 402,766    |               |               | 4,000,000        | 4,771,500     |                   |

Note: On May 26, 2010, Fire Protection District #41 issued \$4 million in Limited Tax General Obligation Bonds to finance the Consolidated Fire Station Project. On June 1, 2011, the Fire District dissolved when the City of Kirkland annexed all the territory served by the District. The outstanding debt remains an obligation of the taxable property which was annexed.

Capital Project Funds account for the acquisition and construction of capital facilities not financed by proprietary funds.

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**GENERAL GOVERNMENT  
CAPITAL PROJECT FUNDS**



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**CITY OF KIRKLAND**

# ***GENERAL GOVERNMENT CAPITAL PROJECTS FUNDS***

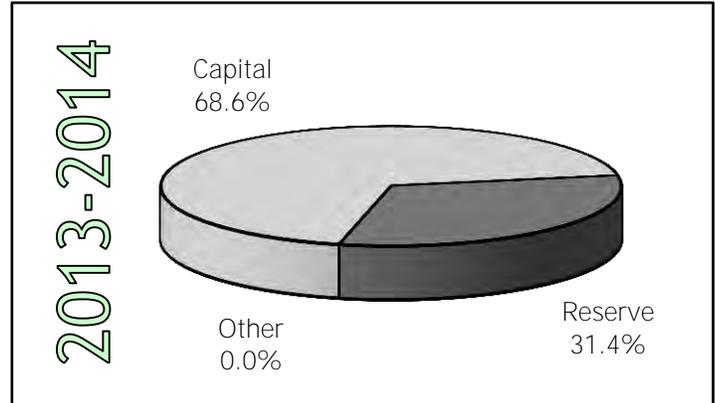
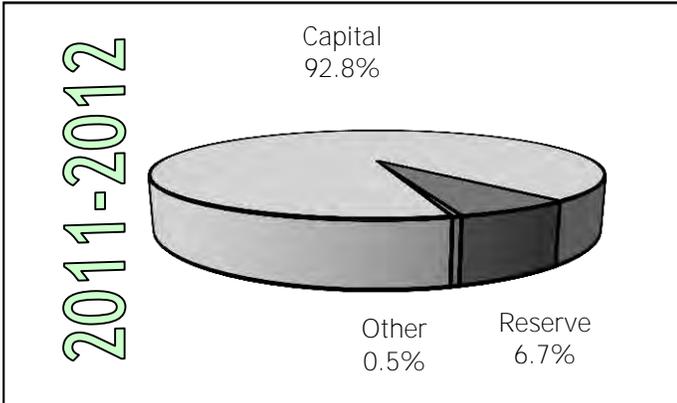
Capital Projects Funds are used to fund and track the construction of projects approved in the Capital Improvement Program. The City Council adopts a six-year Capital Improvement Program (CIP) which is a plan for major improvements or purchases needed in the areas of transportation (streets, sidewalks, signals, and intersections), storm drains, water and sewer systems, parks, public safety, and other government facilities and equipment. The Council revises the CIP biennially. The General Government Capital Projects Funds include projects in all sections of the CIP except those associated with the water/sewer and surface water utilities.

There are two general government capital projects funds:

The **General Capital Projects Fund** accounts for projects funded from general revenue sources. Resources are transferred in as needed usually from the Excise Tax Capital Improvement Fund, and interest income and sales tax allocations. Providing a cushion in the event of unanticipated changes in project scope or cost is the General Capital Contingency, which has a target of ten percent of the funded six-year CIP (less utility projects).

The **Transportation Capital Projects Fund** accounts for all general government transportation projects. City resources are transferred in as needed usually from the Street Operating Fund, Impact Fee Fund, and the Excise Tax Capital Improvement Fund. Transportation projects also frequently receive external revenue from grants or other agencies such as Sound Transit. Utility portions of transportation projects (water/sewer and surface water) are funded in the respective utility capital funds.

# CITY OF KIRKLAND GENERAL GOVERNMENT NON-OPERATING CAPITAL PROJECTS FUNDS



Capital Projects Funds are used for two purposes -- capital construction of projects and capital reserves approved in the Capital Improvement Program. The City Council adopts a six-year Capital Improvement Program (CIP) biennially. The CIP is a plan for major improvements or purchases needed in the areas of transportation (streets, sidewalks, signals, and intersections), storm drains, water/sewer systems, parks, public safety, and other government facilities and equipment.

## 2011-2012 BUDGET SUMMARY: BY PURPOSE

| Fund                                | 2011-12 Budget    | Budget by Purpose |          |                   |                |
|-------------------------------------|-------------------|-------------------|----------|-------------------|----------------|
|                                     |                   | Reserve           | Debt     | Capital           | Other          |
| 310 General Capital Projects        | 52,653,591        | 5,535,271         | -        | 46,686,861        | 431,459        |
| 320 Transportation Capital Projects | 32,914,691        | 214,917           | -        | 32,699,774        | -              |
| <b>Total Capital Projects Funds</b> | <b>85,568,282</b> | <b>5,750,188</b>  | <b>-</b> | <b>79,386,635</b> | <b>431,459</b> |

## 2013-2014 BUDGET SUMMARY: BY PURPOSE

| Fund                                | 2013-14 Budget    | Budget by Purpose |          |                   |          |
|-------------------------------------|-------------------|-------------------|----------|-------------------|----------|
|                                     |                   | Reserve           | Debt     | Capital           | Other    |
| 310 General Capital Projects        | 54,759,348        | 13,822,648        | -        | 40,936,700        | -        |
| 320 Transportation Capital Projects | 39,416,383        | 15,710,783        | -        | 23,705,600        | -        |
| <b>Total Capital Projects Funds</b> | <b>94,175,731</b> | <b>29,533,431</b> | <b>-</b> | <b>64,642,300</b> | <b>-</b> |

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2011 to Ending 2014)**  
**GENERAL GOVERNMENT NON-OPERATING**

**CAPITAL PROJECTS FUNDS**

|  | <b>General<br/>Capital<br/>Projects</b> | <b>Transportation<br/>Capital<br/>Projects</b> | <b>Total</b>        |
|--|---|--|---------------------|
| <b>2011 Actual Beginning Fund Balance</b>                        | <b>42,237,825</b>                       | <b>3,158,298</b>                               | <b>45,396,123</b>   |
| <i>Reserved</i>  | <i>3,900,577</i>                        | <i>214,917</i>                                 | <i>4,115,494</i>    |
| <i>Unreserved Working Capital</i>                                | <i>1,810,188</i>                        | <i>2,943,381</i>                               | <i>4,753,569</i>    |
| Plus: 2011-12 Estimated Revenues                                 | 11,102,569                              | 17,280,396                                     | <b>28,382,965</b>   |
| Less: 2011-12 Estimated Expenditures                             | 10,492,012                              | 17,775,156                                     | <b>28,267,168</b>   |
| <b>2011-12 Estimated Ending Fund Balance</b>                     | <b>42,848,382</b>                       | <b>2,663,538</b>                               | <b>45,511,920</b>   |
| Less: Funding for Carryovers to 2013                             | 66,400                                  | -  | <b>66,400</b>       |
| <b>2013 Budgeted Beginning Fund Balance</b>                      | <b>42,781,982</b>                       | <b>2,663,538</b>                               | <b>45,445,520</b>   |
| Plus: 2013-14 Budgeted Revenues                                  | 12,488,192                              | 36,752,845                                     | <b>49,241,037</b>   |
| Less: 2013-14 Budgeted Expenditures                              | 51,350,711                              | 39,200,918                                     | <b>90,551,629</b>   |
| <b>2014 Budgeted Ending Fund Balance</b>                         | <b>3,919,463</b>                        | <b>215,465</b>                                 | <b>4,134,928</b>    |
| <i>Reserved</i>  | <i>3,919,463</i>                        | <i>-</i>                                       | <i>3,919,463</i>    |
| <i>Unreserved Working Capital</i>                                | <i>-</i>                                | <i>215,465</i>                                 | <i>215,465</i>      |
| <b>Change in Fund Balance:<br/>Beginning 2011 to Ending 2014</b> | <b>(38,318,362)</b>                     | <b>(2,942,833)</b>                             | <b>(41,261,195)</b> |

**Notes:**

The reductions in fund balance of the General Capital Projects Fund and the Transportation Capital Projects Fund are due to the completion of projects which were funded but not constructed in prior years. Larger projects in the General Capital Projects Fund to be completed in 2013-14 include: the Public Safety Building, the Consolidated Fire Station and paying off an interfund loan from repurposed parks projects for the Cross Kirkland Corridor.

**CITY OF KIRKLAND  
CAPITAL IMPROVEMENT PROGRAM  
2013-2014 BUDGET**

**GENERAL CAPITAL PROJECTS FUND (310)**

| <b>Project Category/<br/>Project Title</b>          | <b>Project<br/>Number</b> | <b>Funding<br/>Source</b>                        |
|---|---------------------------|--|
| <b>PARKS</b>  |                           |  |
| Open Space and Pk Land Acq Grant Match Program      | PK 0049                   | REET 1 Rsv                                       |
| Waverly Beach Park Renovation                       | PK 0087 100*              | Kirkland Park Levy                               |
| Heritage Park - Heritage Hall Renovations           | PK 0095 200               | REET 1 (1st quarter percent)                     |
| Spinney Homestead Park Renovation                   | PK 0113 100               | REET 1 (1st quarter percent)                     |
| Terrace Park Renovation                             | PK 0115                   | REET 1 (1st quarter percent)                     |
| Lee Johnson Field Lighting Replacements             | PK 0116 100               | REET 1 (1st quarter percent)                     |
| Green Kirkland Forest Restoration Program           | PK 0121                   | REET 1 (1st quarter percent)                     |
| Dock & Shoreline Renovations                        | PK 0113 100*              | Kirkland Park Levy                               |
| Neighborhood Park Land Acquisition                  | PK 0133 300*              | Kirkland Park Levy                               |
| Edith Moulton Park Renovation                       | PK 0133 400*              | Kirkland Park Levy                               |
| 132nd Park Playfields Renovation                    | PK 0134                   | REET 1 (1st quarter percent)                     |
| Everest Park Restroom/Storage Building Replacement  | PK 0138                   | REET 1 (1st quarter percent)                     |
| <b>Total Parks</b>                                  |                           |  |
| <b>PUBLIC SAFETY</b>                                |                           |  |
| Dive Rescue Equipment Replacement                   | PS 0067                   | General Fund Revenue                             |
| Self Contained Breathing Apparatus (SCBA)           | PS 0071                   | General Fund Revenue                             |
| Personal Protective Equipment                       | PS 0076                   | General Fund Revenue                             |
| Police Equipment Replacement                        | PS 1000                   | General Fund Revenue                             |
| <b>Total Public Safety</b>                          |                           |  |
| <b>GENERAL GOVERNMENT</b>                           |                           |  |
| <b>Technology</b>                                   |                           |  |
| Network Server Replacements                         | IT 0100                   | General Fund/Carryover/Utilities                 |
| Network Infrastructure                              | IT 0110                   | General Fund/Utilities                           |
| Network Storage                                     | IT 0120                   | General Fund/Tech Initiative/Carryover/Utilities |
| Network Security                                    | IT 0140                   | General Fund/Carryover/Reprogram                 |
| Geographic Information Systems                      | IT 0200                   | General Fund/Tech Initiative/Carryover/Utilities |
| Finance and HR System Modules                       | IT 0300                   | Reprogram Prior Year Project Funding             |
| Standard Reporting Tool                             | IT 0602                   | Reprogram Prior Year Project Funding             |
| Maintenance Management System Upgrade               | IT 0702                   | Major System Reserve/Utilities/Reprogram         |
| Disaster Recovery System Improvement                | IT 0901                   | General Fund Revenue                             |
| <b>Total Technology</b>                             |                           |  |
| <b>Facilities</b>                                   |                           |  |
| Electrical, Energy Management & Lighting Systems    | GG 0008                   | Facilities Sinking Fund Charges                  |
| Mechanical/HVAC Systems Replacements                | GG 0009                   | Facilities Sinking Fund Charges                  |
| Painting, Ceilings, Partition & Window Replacements | GG 0010                   | Facilities Sinking Fund Charges                  |
| Roofing, Gutter, Sliding & Deck Replacements        | GG 0011                   | Facilities Sinking Fund Charges                  |
| Flooring Replacements                               | GG 0012                   | Facilities Sinking Fund Charges                  |
| Public Safety Building Phase III                    | GG 0013 103               | General Government Reserves/Debt                 |
| City Hall Expansion                                 | GG 0035 100               | General Government Reserves/External             |
| Consolidated Fire Station No 25                     | GG 0039                   | Debt   |
| <b>Total Facilities</b>                             |                           |  |
| <b>Total General Government</b>                     |                           |  |
| <b>TOTAL GENERAL CAPITAL PROJECTS FUND</b>          |                           |  |

\* Funded through Kirkland Park Levy

| 2013<br>Budget    | 2014<br>Budget   | Estimated Total<br>Project Cost* | Additional Annual<br>Maintenance & Operations |                |
|-------------------|------------------|----------------------------------|---|----------------|
|                   |                  |                                  | 2013  | 2014           |
| 100,000           | 0                | 100,000                          | 0   | 0              |
| 0                 | 500,000          | 500,000                          | 0   | 0              |
| 50,000            | 0                | 50,000                           | 0   | 0              |
| 443,000           | 0                | 443,000                          | 0   | 0              |
| 75,000            | 440,000          | 515,000                          | 0   | 0              |
| 0                 | 150,000          | 150,000                          | 0   | 0              |
| 75,000            | 75,000           | 450,000                          | 0   | 0              |
| 150,000           | 150,000          | 800,000                          | 0   | 0              |
| 475,000           | 375,000          | 2,350,000                        | 0   | 0              |
| 100,000           | 100,000          | 1,000,000                        | 0   | 5,660          |
| 75,000            | 0                | 712,000                          | 0   | 0              |
| 0                 | 75,000           | 735,000                          | 0   | 0              |
| <b>1,543,000</b>  | <b>1,865,000</b> | <b>7,805,000</b>                 | <b>0</b>                                      | <b>5,660</b>   |
| 0                 | 55,000           | 55,000                           | 0   | 0              |
| 741,600           | 0                | 741,600                          | 0   | 0              |
| 0                 | 518,200          | 518,200                          | 0   | 0              |
| 160,500           | 26,300           | 661,100                          | 0   | 0              |
| <b>902,100</b>    | <b>599,500</b>   | <b>1,975,900</b>                 | <b>0</b>                                      | <b>0</b>       |
| 211,000           | 125,000          | 921,400                          | 0   | 0              |
| 50,000            | 200,000          | 390,000                          | 0   | 0              |
| 628,900           | 0                | 1,628,900                        | 0   | 0              |
| 130,000           | 65,000           | 355,000                          | 0   | 0              |
| 170,000           | 185,000          | 1,355,000                        | 0   | 0              |
| 47,400            | 21,100           | 123,600                          | 0   | 0              |
| 83,200            | 0                | 83,200                           | 0   | 0              |
| 30,000            | 147,600          | 177,600                          | 0   | 0              |
| 50,000            | 150,000          | 200,000                          | 0   | 0              |
| <b>1,400,500</b>  | <b>893,700</b>   | <b>5,234,700</b>                 | <b>0</b>                                      | <b>0</b>       |
| 18,900            | 0                | 139,600                          | 0   | 0              |
| 29,000            | 222,800          | 814,700                          | 0   | 0              |
| 0                 | 68,000           | 730,800                          | 0   | 0              |
| 41,800            | 122,300          | 598,200                          | 0   | 0              |
| 0                 | 66,400           | 374,000                          | 0   | 0              |
| 27,418,200        | 0                | 27,418,200                       | 0   | 693,583        |
| 433,500           | 1,450,000        | 9,833,500                        | 0   | 0              |
| 3,862,000         | 0                | 3,862,000                        | 0   | 0              |
| <b>31,803,400</b> | <b>1,929,500</b> | <b>43,771,000</b>                | <b>0</b>                                      | <b>693,583</b> |
| <b>33,203,900</b> | <b>2,823,200</b> | <b>49,005,700</b>                | <b>0</b>                                      | <b>693,583</b> |
| <b>35,649,000</b> | <b>5,287,700</b> | <b>58,786,600</b>                | <b>0</b>                                      | <b>699,243</b> |

**CITY OF KIRKLAND  
CAPITAL IMPROVEMENT PROGRAM  
2013-2014 BUDGET**

**TRANSPORTATION CAPITAL PROJECTS FUND (320)**

| Project Category/<br>Project Title                  | Project<br>Number | Funding<br>Source                    |
|---|-------------------|--------------------------------------|
| <b>TRANSPORTATION</b>                               |                   |                                      |
| <b>Streets</b>                                      |                   |                                      |
| Annual Street Preservation Program                  | ST 0006           | Gas Tax/Sales Tax/REET 2/Solid Waste |
| Annual Street Preservation Program-One-Time Project | ST 0006 002       | External                             |
| Street Maintenance & Pedestrian Safety              | ST 0006 003**     | Kirkland Road Levy                   |
| NE 120th Street Roadway Extension (East Section)    | ST 0057 001*      | External/Utilities/REET 2 Reserves   |
| Annual Striping Program                             | ST 0080           | REET 2 (2nd quarter percent)         |
| Juanita Drive Corridor Study                        | ST 0082           | REET 1 (1st quarter percent)         |
| 100th Ave NE Corridor Study                         | ST 0083           | REET 2 Rsv                           |
| Regional Inter-Agency Coordination                  | ST 9999           | REET 1 (1st quarter percent)         |
| <b>Total Streets</b>                                |                   |                                      |
| <b>Non-Motorized</b>                                |                   |                                      |
| Crosswalk Upgrade Program                           | NM 0012           | REET 1 (1st quarter percent)         |
| Cross Kirkland Corridor-Interim Trail               | NM 0024           | External/REET 2 Rsv/Utilities        |
| Cross Kirkland Corridor Master Plan                 | NM 0024 101**     | Kirkland Road Levy                   |
| Annual Sidewalk Maintenance Program                 | NM 0057*          | REET 2/REET 2 Rsv/REET 1/Utilities   |
| Park Lane Pedestrian Corridor Enhancements Phase II | NM 0064 001       | External/Utilities                   |
| JFK Non-Motorized Program                           | NM 0073           | REET 2 Rsv/Utilities                 |
| <b>Total Non-Motorized</b>                          |                   |                                      |
| <b>Traffic Improvements</b>                         |                   |                                      |
| 100th Ave NE/NE 132nd St. Intersection Improvements | TR 0083*          | Impact Fees                          |
| Kirkland ITS Implementation Phase IIC               | TR 0111 003       | REET 1/REET 2/REET 2 Rsv/External    |
| Citywide Safety & Traffic Flow Improvements         | TR 0113           | External/REET 2 Rsv                  |
| <b>Total Traffic Improvements</b>                   |                   |                                      |
| <b>TOTAL TRANSPORTATION CAPITAL PROJECTS FUND</b>   |                   |                                      |

\* A portion of this project is funded through Surface Water Capital Projects Fund (423).

\*\* Funded through Kirkland Road Levy

| 2013<br>Budget    | 2014<br>Budget    | Estimated Total<br>Project Cost* | Additional Annual<br>Maintenance & Operations |                |
|-------------------|-------------------|----------------------------------|---|----------------|
|                   |                   |                                  | 2013  | 2014           |
| 1,750,000         | 1,750,000         | 10,500,000                       | 0   | 0              |
| 0                 | 1,122,000         | 1,122,000                        | 0   | 0              |
| 2,345,000         | 2,574,000         | 15,319,000                       | 385,352                                       | 400,942        |
| 3,595,000         | 0                 | 3,595,000                        | 0   | 0              |
| 300,000           | 350,000           | 2,050,000                        | 0   | 0              |
| 200,000           | 80,000            | 280,000                          | 0   | 0              |
| 50,000            | 0                 | 50,000                           | 0   | 0              |
| 82,000            | 82,000            | 492,000                          | 0   | 0              |
| <b>8,322,000</b>  | <b>5,958,000</b>  | <b>33,408,000</b>                | <b>385,352</b>                                | <b>400,942</b> |
| 70,000            | 0                 | 210,000                          | 0   | 0              |
| 2,158,000         | 1,239,000         | 3,397,000                        | 97,037  | 100,632        |
| 500,000           | 0                 | 500,000                          | 0   | 0              |
| 200,000           | 200,000           | 1,200,000                        | 0   | 0              |
| 350,000           | 1,888,900         | 2,238,900                        | 0   | 0              |
| 75,000            | 75,000            | 150,000                          | 0   | 0              |
| <b>3,353,000</b>  | <b>3,402,900</b>  | <b>7,695,900</b>                 | <b>97,037</b>                                 | <b>100,632</b> |
| 350,000           | 350,000           | 3,201,000                        | 0   | 0              |
| 576,000           | 2,205,900         | 2,911,000                        | 115,643                                       | 121,755        |
| 302,200           | 0                 | 302,200                          | 0   | 0              |
| <b>1,228,200</b>  | <b>2,555,900</b>  | <b>6,414,200</b>                 | <b>115,643</b>                                | <b>121,755</b> |
| <b>12,903,200</b> | <b>11,916,800</b> | <b>47,518,100</b>                | <b>598,032</b>                                | <b>623,329</b> |

## City of Kirkland 2013-2018 Capital Improvement Program

### PARK PROJECTS

#### Funded Projects:

| Project Number                    | Project Title  | Prior Year(s)    | 2013                  | 2014                  | 2015                  | 2016                    | 2017                  | 2018                  | 2013-2018 Total         | Funding Source          |                |                 |
|-----------------------------------|--|------------------|-----------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|-------------------------|-------------------------|----------------|-----------------|
|                                   |  |                  |                       |                       |                       |                         |                       |                       |                         | Current Revenue         | Reserve        | External Source |
| PK 0049                           | Open Space, PK Land & Trail Acq Grant Match Program              |                  | 100,000               |                       |                       |                         |                       |                       | 100,000                 |                         | 100,000        |                 |
| PK 0066*                          | Park Play Area Enhancements                                      |                  |                       |                       | 50,000                | 50,000                  | 50,000                | 50,000                | 200,000                 | 200,000                 |                |                 |
| <b><i>PK 0087 100#</i></b>        | <b><i>Waverly Beach Park Renovation</i></b>                      |                  |                       | <b><i>500,000</i></b> |                       |                         |                       |                       | <b><i>500,000</i></b>   | <b><i>500,000</i></b>   |                |                 |
| <b><i>PK 0095 200</i></b>         | <b><i>Heritage Park - Heritage Hall Renovations</i></b>          |                  | <b><i>50,000</i></b>  |                       |                       |                         |                       |                       | <b><i>50,000</i></b>    | <b><i>50,000</i></b>    |                |                 |
| <b><i>PK 0113 100</i></b>         | <b><i>Spinney Homestead Park Renovation</i></b>                  |                  | <b><i>443,000</i></b> |                       |                       |                         |                       |                       | 443,000                 | 443,000                 |                |                 |
| <b><i>PK 0114 101</i></b>         | <b><i>Mark Twain Park Renovation (Design)</i></b>                |                  |                       |                       |                       |                         | 75,000                |                       | 75,000                  | 75,000                  |                |                 |
| PK 0115*                          | Terrace Park Renovation  |                  | 75,000                | 440,000               |                       |                         |                       |                       | 515,000                 | 515,000                 |                |                 |
| <b><i>PK 0116 100</i></b>         | <b><i>Lee Johnson Field Lighting Replacements</i></b>            |                  |                       | <b><i>150,000</i></b> |                       |                         |                       |                       | <b><i>150,000</i></b>   | <b><i>150,000</i></b>   |                |                 |
| PK 0119*                          | Juanita Beach Park Development Phase 2                           | 3,450,000        |                       |                       |                       |                         | 100,000               | 1,207,000             | 1,307,000               | 807,000                 |                | 500,000         |
| <b><i>PK 0119 100#</i></b>        | <b><i>Juanita Beach Bathhouse Replacement &amp; Shelter</i></b>  |                  |                       |                       | <b><i>200,000</i></b> | <b><i>1,000,000</i></b> |                       |                       | <b><i>1,200,000</i></b> | <b><i>1,200,000</i></b> |                |                 |
| PK 0121*                          | Green Kirkland Forest Restoration Program                        |                  | 75,000                | 75,000                | 75,000                | 75,000                  | 75,000                | 75,000                | 450,000                 | 450,000                 |                |                 |
| PK 0131*^                         | Park and Open Space Acquisition Program                          |                  |                       |                       |                       |                         | 508,000               |                       | 508,000                 | 508,000                 |                |                 |
| <b><i>PK 0133 100#</i></b>        | <b><i>Dock &amp; Shoreline Renovations</i></b>                   |                  | <b><i>150,000</i></b> | <b><i>150,000</i></b> | <b><i>250,000</i></b> | <b><i>250,000</i></b>   |                       |                       | <b><i>800,000</i></b>   | <b><i>800,000</i></b>   |                |                 |
| <b><i>PK 0133 200#</i></b>        | <b><i>City-School Playfield Partnership</i></b>                  |                  |                       |                       |                       |                         | <b><i>500,000</i></b> | <b><i>500,000</i></b> | <b><i>1,000,000</i></b> | <b><i>1,000,000</i></b> |                |                 |
| <b><i>PK 0133 300#</i></b>        | <b><i>Neighborhood Park Land Acquisition</i></b>                 |                  | <b><i>475,000</i></b> | <b><i>375,000</i></b> |                       |                         | <b><i>750,000</i></b> | <b><i>750,000</i></b> | <b><i>2,350,000</i></b> | <b><i>2,350,000</i></b> |                |                 |
| <b><i>PK 0133 400#</i></b>        | <b><i>Edith Moulton Park Renovation</i></b>                      |                  | <b><i>100,000</i></b> | <b><i>100,000</i></b> | <b><i>800,000</i></b> |                         |                       |                       | <b><i>1,000,000</i></b> | <b><i>1,000,000</i></b> |                |                 |
| <b><i>PK 0134</i></b>             | <b><i>132nd Park Playfields Renovation</i></b>                   |                  | <b><i>75,000</i></b>  |                       | <b><i>637,000</i></b> |                         |                       |                       | <b><i>712,000</i></b>   | <b><i>712,000</i></b>   |                |                 |
| <b><i>PK 0138</i></b>             | <b><i>Everest Park Restroom/Storage Building Replacement</i></b> |                  |                       | <b><i>75,000</i></b>  |                       | <b><i>660,000</i></b>   |                       |                       | 735,000                 | 735,000                 |                |                 |
| <b>Total Funded Park Projects</b> |  | <b>3,450,000</b> | <b>1,543,000</b>      | <b>1,865,000</b>      | <b>2,012,000</b>      | <b>2,035,000</b>        | <b>2,058,000</b>      | <b>2,582,000</b>      | <b>12,095,000</b>       | <b>11,495,000</b>       | <b>100,000</b> | <b>500,000</b>  |

#### Notes

\* = Modification in timing and/or cost (see Project Modification Schedule for greater detail)

+ = Moved from unfunded status to funded status

" = Moved from funded status to unfunded status

Shaded year(s) = Previous timing

**Bold italics = New projects**

*Italics = Repurposed projects*

**# = Park Levy Candidates**

**^^2013-2014 Funding moved to previously authorized expenditures in NM 0070 Cross Kirkland Corridor Acquisition**

#### Prior Year(s) Funding (Budget to Actuals):

| Project Number  | Project Title                          | Budget           | Actual           | Balance      |
|---|--|------------------|------------------|--------------|
| PK 0119*  | Juanita Beach Park Development Phase 2 | 3,450,000        | 3,447,711        | 2,289        |
| <b>Total Prior Year(s) Funding (Budget to Actuals):</b> |  | <b>3,450,000</b> | <b>3,447,711</b> | <b>2,289</b> |

## City of Kirkland 2013-2018 Capital Improvement Program

### PARK PROJECTS

#### Unfunded Projects:

| Project Number                       | Project Title   | Total                    |
|--------------------------------------|---|--------------------------|
| PK 0078 600                          | A.G. Bell Elementary Playfields Improvements                          | 200,000                  |
| PK 0078 800                          | International Comm. School Playfield Improvements                     | 300,000                  |
| PK 0086                              | Totem Lake Neighborhood Park Acquisition & Development                | 2,500,000                |
| <b><i>PK 0087 101</i></b>            | <b><i>Waverly Beach Parks Renovation (Phase 2)</i></b>                | <b><i>1,000,000</i></b>  |
| PK 0095 100                          | Heritage Park Development - Phase III & IV                            | 2,500,000                |
| PK 0096                              | Ohde Avenue Park Development  | 250,000                  |
| PK 0097                              | Reservoir Park Renovation   | 500,000                  |
| PK 0099                              | N. Juanita (East) Neighborhood Park Acquisition/Development           | 2,500,000                |
| PK 0100                              | N. Juanita (West) Neighborhood Park Acquisition/Development           | 2,500,000                |
| PK 0101                              | N. Rose Hill Neighborhood Park Acquisition/Development (North)        | 2,500,000                |
| PK 0102                              | N. Rose Hill Neighborhood Park Acquisition/Development (Central)      | 2,500,000                |
| PK 0103                              | Market Neighborhood Park Acquisition/Development                      | 3,500,000                |
| PK 0108                              | McAuliffe Park Development  | 7,000,000                |
| PK 0114*                             | Mark Twain Park Renovation  | 750,000                  |
| PK 0116                              | Lee Johnson Field Artificial Turf Installation                        | 1,500,000                |
| PK 0117                              | Lake Avenue West Street End Park Enhancement                          | 100,000                  |
| <b><i>PK 0119 200</i></b>            | <b><i>Juanita Beach Park Development (Phase 3)</i></b>                | <b><i>10,000,000</i></b> |
| PK 0122 100                          | Community Recreation Facility Construction                            | 42,000,000               |
| PK 0124"                             | Snyder's Corner Park Site Development                                 | 1,000,000                |
| PK 0125                              | Dock Renovations  | 250,000                  |
| PK 0126                              | Watershed Park Master Planning & Park Development                     | 1,100,000                |
| PK 0127                              | Kiwanis Park Master Planning & Park Development                       | 1,100,000                |
| PK 0128                              | Yarrow Bay Wetlands Master Planning & Park Development                | 1,600,000                |
| PK 0129                              | Heronfield Wetlands Master Planning & Development                     | 1,600,000                |
| <b><i>PK 0133 500</i></b>            | <b><i>Lee Johnson Field Synthetic Turf and Lighting</i></b>           | <b><i>1,500,000</i></b>  |
| <b><i>PK 0135</i></b>                | <b><i>Juanita Heights Park Master Planning and Development</i></b>    | <b><i>1,125,000</i></b>  |
| <b><i>PK 0136</i></b>                | <b><i>Kingsgate Park Master Planning and Park Development</i></b>     | <b><i>1,150,000</i></b>  |
| <b><i>PK 0137</i></b>                | <b><i>Windsor Vista Park Master Planning and Park Development</i></b> | <b><i>1,150,000</i></b>  |
| <b><i>PK 0139</i></b>                | <b><i>Highlands Park Renovation</i></b>                               | <b><i>750,000</i></b>    |
| <b>Total Unfunded Parks Projects</b> |   | <b>94,425,000</b>        |

#### Unfunded Repurposed Projects:

| Project Number                            | Project Title                                 | Total Balance    |
|---|---|------------------|
| <i>PK 0056</i>                            | <i>Forbes Lake Park Development</i>           | <i>200,000</i>   |
| <i>PK 0083</i>                            | <i>South Juanita Park Site Development</i>    | <i>212,300</i>   |
| <i>PK 0087</i>                            | <i>Waverly Beach Park Renovation</i>          | <i>505,000</i>   |
| <i>PK 0111</i>                            | <i>Skate Park</i>                             | <i>200,000</i>   |
| <i>PK 0113</i>                            | <i>Spinney Homestead Park Renovation</i>      | <i>350,000</i>   |
| <i>PK 0122</i>                            | <i>Community Recreation Facility Planning</i> | <i>72,000</i>    |
| <b>Total Unfunded Repurposed Projects</b> |   | <b>1,539,300</b> |

#### Total Unfunded Parks Projects:

|                                      |                   |
|--------------------------------------|-------------------|
| Unfunded Park Projects               | 94,425,000        |
| Unfunded Repurposed Projects         | 1,539,300         |
| <b>Total Unfunded Parks Projects</b> | <b>95,964,300</b> |

#### Notes

\* = Modification in timing and/or cost (see Project Modification Schedule for greater detail)

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Shaded year(s) = Previous timing

***Bold italics = New projects***

*Italics = Repurposed projects*

^^2013-2014 Funding moved to NM 0070 Cross Kirkland Corridor (See Transportation CIP)

**City of Kirkland  
2013-2018 Capital Improvement Program**

**PUBLIC SAFETY PROJECTS**

**Funded Projects:**

| Project Number                             | Project Title                               | Prior Year(s) | 2013                  | 2014                  | 2015                 | 2016                  | 2017                  | 2018                 | 2013-2018 Total       | Funding Source        |          |                 |
|--|---|---------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|----------|-----------------|
|  |   |               |                       |                       |                      |                       |                       |                      |                       | Current Revenue       | Reserve  | External Source |
| <b>FIRE</b>                                |   |               |                       |                       |                      |                       |                       |                      |                       |                       |          |                 |
| PS 0067*                                   | Dive Rescue Equipment                       |               |                       | 55,000                |                      |                       |                       |                      | 55,000                | 55,000                |          |                 |
| PS 0071*                                   | Self Contained Breathing Apparatus (SCBA)   |               | 741,600               |                       |                      |                       |                       |                      | 741,600               | 741,600               |          |                 |
| <b><i>PS 0075</i></b>                      | <b><i>Portable Radios</i></b>               |               |                       |                       |                      |                       | <b><i>347,000</i></b> |                      | <b><i>347,000</i></b> | <b><i>347,000</i></b> |          |                 |
| <b><i>PS 0076</i></b>                      | <b><i>Personal Protective Equipment</i></b> |               |                       | <b><i>518,200</i></b> |                      |                       |                       |                      | <b><i>518,200</i></b> | <b><i>518,200</i></b> |          |                 |
| <b>POLICE</b>                              |   |               |                       |                       |                      |                       |                       |                      |                       |                       |          |                 |
| <b><i>PS 1000</i></b>                      | <b><i>Police Equipment Replacement</i></b>  |               | <b><i>160,500</i></b> | <b><i>26,300</i></b>  | <b><i>87,300</i></b> | <b><i>219,800</i></b> | <b><i>124,600</i></b> | <b><i>42,600</i></b> | <b><i>661,100</i></b> | <b><i>661,100</i></b> |          |                 |
| <b>Total Funded Public Safety Projects</b> |   | <b>0</b>      | <b>902,100</b>        | <b>599,500</b>        | <b>87,300</b>        | <b>219,800</b>        | <b>471,600</b>        | <b>42,600</b>        | <b>2,322,900</b>      | <b>2,322,900</b>      | <b>0</b> | <b>0</b>        |

**Unfunded Projects:**

| Project Number                               | Project Title                                 | Total          |
|--|---|----------------|
| PS 0068                                      | Local Emergency/Public Communication AM Radio | 119,100        |
| <b>Total Unfunded Public Safety Projects</b> |   | <b>119,100</b> |

Notes  
 \* = Modification in timing and/or cost (see Project Modification Schedule for greater detail)  
 + = Moved from unfunded status to funded status  
 " = Moved from funded status to unfunded status  
 Shaded year(s) = Previous timing  
***Bold italics = New projects***

## City of Kirkland 2013-2018 Capital Improvement Program

### GENERAL GOVERNMENT PROJECTS

#### Funded Projects:

| Project Number                                  | Project Title                                       | Prior Year(s)    | 2013              | 2014             | 2015             | 2016           | 2017             | 2018             | 2013-2018 Total   | Funding Source   |                   |                   | External Source  |
|---|---|------------------|-------------------|------------------|------------------|----------------|------------------|------------------|-------------------|------------------|-------------------|-------------------|------------------|
|   |   |                  |                   |                  |                  |                |                  |                  |                   | Current Revenue  | Reserve           | Debt              |                  |
| <b>TECHNOLOGY</b>                               |   |                  |                   |                  |                  |                |                  |                  |                   |                  |                   |                   |                  |
| IT 0100 000*                                    | Network Server Replacements                         |                  | 211,000           | 125,000          | 140,400          | 160,000        | 160,000          | 125,000          | 921,400           | 860,400          | 61,000            |                   |                  |
| IT 0110 000*                                    | Network Infrastructure                              |                  | 50,000            | 200,000          | 35,000           | 35,000         | 35,000           | 35,000           | 390,000           | 390,000          |                   |                   |                  |
| IT 0120 000*                                    | Network Storage                                     |                  | 628,900           |                  |                  |                | 300,000          | 700,000          | 1,628,900         | 1,100,000        | 528,900           |                   |                  |
| IT 0130 000*                                    | Network Phone Systems                               |                  |                   |                  | 250,000          |                |                  |                  | 250,000           | 165,700          | 84,300            |                   |                  |
| IT 0140 000*                                    | Network Security                                    |                  | 130,000           | 65,000           | 55,000           |                | 75,000           | 30,000           | 355,000           | 206,000          | 149,000           |                   |                  |
| IT 0200 000*                                    | Geographic Information Systems                      |                  | 170,000           | 185,000          | 250,000          | 250,000        | 250,000          | 250,000          | 1,355,000         | 878,000          | 477,000           |                   |                  |
| IT 0300 000*                                    | Finance and HR System Modules                       |                  | 47,400            | 21,100           | 49,300           | 5,800          |                  |                  | 123,600           |                  | 123,600           |                   |                  |
| IT 0402 000* +                                  | Financial System Replacement                        |                  |                   |                  |                  | 150,000        |                  |                  | 150,000           |                  | 150,000           |                   |                  |
| <b>IT 0500 000</b>                              | <b>Copier Replacements</b>                          |                  |                   |                  | <b>32,000</b>    |                | <b>72,000</b>    |                  | <b>104,000</b>    | <b>104,000</b>   |                   |                   |                  |
| IT 0601 000* +                                  | Help Desk System Replacement Phase 2                |                  |                   |                  | 66,000           |                |                  |                  | 66,000            |                  | 66,000            |                   |                  |
| IT 0602 000*                                    | Standard Reporting Tool                             |                  | 83,200            |                  |                  |                |                  |                  | 83,200            |                  | 83,200            |                   |                  |
| IT 0702 000*                                    | Maintenance Management System Upgrade               |                  | 30,000            | 147,600          |                  |                |                  |                  | 177,600           | 53,100           | 124,500           |                   |                  |
| <b>IT 0901 000*</b>                             | <b>Disaster Recovery System Improvement</b>         |                  | <b>50,000</b>     | <b>150,000</b>   |                  |                |                  |                  | <b>200,000</b>    | <b>200,000</b>   |                   |                   |                  |
| <b>FACILITIES</b>                               |   |                  |                   |                  |                  |                |                  |                  |                   |                  |                   |                   |                  |
| GG 0008*  | Electrical, Energy Management & Lighting Systems    |                  | 18,900            |                  | 66,400           | 10,200         |                  | 44,100           | 139,600           |                  | 139,600           |                   |                  |
| GG 0009*  | Mechanical/HVAC Systems Replacements                |                  | 29,000            | 222,800          | 47,000           |                | 198,300          | 317,600          | 814,700           |                  | 814,700           |                   |                  |
| GG 0010*  | Painting, Ceilings, Partition & Window Replacements |                  |                   | 68,000           | 170,400          | 155,100        | 194,900          | 142,400          | 730,800           |                  | 730,800           |                   |                  |
| GG 0011*  | Roofing, Gutter, Siding and Deck Replacements       |                  | 41,800            | 122,300          | 34,600           | 141,800        | 257,700          | 598,200          | 598,200           |                  | 598,200           |                   |                  |
| GG 0012*  | Flooring Replacements                               |                  |                   | 66,400           | 105,800          | 23,300         | 82,000           | 96,500           | 374,000           |                  | 374,000           |                   |                  |
| <b>GG 0013 103*</b>                             | <b>Public Safety Building Phase III</b>             | <b>3,298,187</b> | <b>27,418,200</b> |                  |                  |                |                  |                  | <b>27,418,200</b> |                  | <b>6,580,368</b>  | <b>20,837,832</b> |                  |
| <b>GG 0035 100+</b>                             | <b>City Hall Expansion</b>                          | <b>166,500</b>   | <b>433,500</b>    | <b>1,450,000</b> | <b>7,950,000</b> |                |                  |                  | <b>9,833,500</b>  |                  | 528,924           | <b>5,804,576</b>  | 3,500,000        |
| <b>GG 0039*</b>                                 | <b>Consolidated Fire Station No 25</b>              | <b>1,368,000</b> | <b>3,862,000</b>  |                  |                  |                |                  |                  | <b>3,862,000</b>  |                  |                   | 3,862,000         |                  |
| <b>Total Funded General Government Projects</b> |   | <b>4,832,687</b> | <b>33,203,900</b> | <b>2,823,200</b> | <b>9,217,300</b> | <b>824,000</b> | <b>1,509,000</b> | <b>1,998,300</b> | <b>49,575,700</b> | <b>3,957,200</b> | <b>11,614,092</b> | <b>30,504,408</b> | <b>3,500,000</b> |

#### Unfunded Projects:

| Project Number                                    | Project Title                                 | Total            |
|---|---|------------------|
| IT 0401 000                                       | Utility Billing/Cashiering System Replacement | 491,700          |
| IT 0501 000                                       | Police ProAct Unit NCIC Handheld Computers    | 52,000           |
| IT 0701 000                                       | Fleet Management Systems Replacement          | 80,000           |
| IT 0802 000                                       | Recreation Registration System Replacement    | 83,000           |
| IT 0902 000                                       | Customer Relationship Management System       | 414,000          |
| <b>Total Unfunded General Government Projects</b> |   | <b>1,120,700</b> |

#### Prior Year(s) Funding (Budget to Actuals):

| Project Number  | Project Title                    | Budget           | Actual         | Balance          |
|---|----------------------------------|------------------|----------------|------------------|
| GG 0013 103*  | Public Safety Building Phase III | 3,298,187        | 148,608        | 3,149,579        |
| GG 0039*  | Consolidated Fire Station No 25  | 1,368,000        | <b>27,939</b>  | 1,340,061        |
| <b>Total Prior Year(s) Funding (Budget to Actuals):</b> |                                  | <b>4,666,187</b> | <b>176,547</b> | <b>4,489,640</b> |

#### Notes

\* = Modification in timing and/or cost (see Project Modification Schedule for greater detail)

+ = Moved from unfunded status to funded status

" = Moved from funded status to unfunded status

Shaded year(s) = Previous timing

**Bold italics = New projects**

**City of Kirkland  
2013-2018 Capital Improvement Program**

**TRANSPORTATION PROJECTS**

**Funded Projects:**

| Project Number                              | Project Title  | Prior Year(s)    | 2013              | 2014              | 2015             | 2016             | 2017             | 2018             | 2013-2018 Total   | Funding Sources   |                  |          |                   |
|---|--|------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|------------------|----------|-------------------|
|   |  |                  |                   |                   |                  |                  |                  |                  |                   | Current Revenue   | Reserve          | Debt     | External Source   |
| ST0006*                                     | Annual Street Preservation Program                     |                  | 1,750,000         | 1,750,000         | 1,750,000        | 1,750,000        | 1,750,000        | 1,750,000        | 10,500,000        | 10,500,000        |                  |          |                   |
| ST 0006 002*                                | Annual Street Preservation Program-One-time Project    |                  |                   | 1,122,000         |                  |                  |                  |                  | 1,122,000         |                   |                  |          | 1,122,000         |
| <b>ST 0006 003</b>                          | <b>Street Maintenance &amp; Pedestrian Safety</b>      |                  | <b>2,345,000</b>  | <b>2,574,000</b>  | <b>2,600,000</b> | <b>2,600,000</b> | <b>2,600,000</b> | <b>2,600,000</b> | <b>15,319,000</b> | <b>15,319,000</b> |                  |          |                   |
| ST 0057 001*                                | NE 120th Street Roadway Extension (East Section)       | 3,762,000        | 3,595,000         |                   |                  |                  |                  |                  | 3,595,000         | 715,500           | 77,500           |          | 2,802,000         |
| ST 0080*                                    | Annual Striping Program                                |                  | 300,000           | 350,000           | 350,000          | 350,000          | 350,000          | 350,000          | 2,050,000         | 2,050,000         |                  |          |                   |
| <b>ST 0082</b>                              | <b>Juanita Drive Corridor Study</b>                    |                  | <b>200,000</b>    | <b>80,000</b>     |                  |                  |                  |                  | <b>280,000</b>    | 280,000           |                  |          |                   |
| <b>ST 0083</b>                              | <b>100th Ave NE Corridor Study</b>                     |                  | <b>50,000</b>     |                   |                  |                  |                  |                  | <b>50,000</b>     |                   | <b>50,000</b>    |          |                   |
| ST 8888*                                    | Annual Concurrency Street Improvements                 |                  |                   |                   | 482,400          | 480,000          | 215,000          | 852,500          | 2,029,900         | 1,823,400         | 206,500          |          |                   |
| ST 9999*                                    | Regional Inter-Agency Coordination                     |                  | 82,000            | 82,000            | 82,000           | 82,000           | 82,000           | 82,000           | 492,000           | 492,000           |                  |          |                   |
| NM 0012                                     | Crosswalk Upgrade Program                              |                  | 70,000            |                   | 70,000           |                  | 70,000           |                  | 210,000           | 210,000           |                  |          |                   |
| NM 0024 000+                                | Cross Kirkland Corridor Trail (Interim)                | 203,000          | 2,158,000         | 1,239,000         |                  |                  |                  |                  | 3,397,000         | 29,000            | 327,000          |          | 3,041,000         |
| <b>NM 0024 101+</b>                         | <b>Cross Kirkland Corridor Master Plan</b>             |                  | <b>500,000</b>    |                   |                  |                  |                  |                  | <b>500,000</b>    | <b>500,000</b>    |                  |          |                   |
| NM 0057                                     | Annual Sidewalk Maintenance Program                    |                  |                   | 200,000           | 200,000          | 200,000          | 200,000          | 200,000          | 1,200,000         | 900,000           | 300,000          |          |                   |
| NM 0064 001+                                | Park Lane Pedestrian Corridor Enhancements Phase II    |                  | 350,000           | 1,888,900         |                  |                  |                  |                  | 2,238,900         | 319,900           |                  |          | 1,919,000         |
| <b>NM 0073</b>                              | <b>JFK Non-Motorized Program</b>                       |                  | <b>75,000</b>     | <b>75,000</b>     |                  |                  |                  |                  | 150,000           | 30,000            | <b>120,000</b>   |          |                   |
| NM 8888*                                    | Annual Non-Motorized Program                           |                  |                   |                   | 208,300          | 605,000          | 1,043,000        | 1,043,500        | 2,899,800         | 1,660,000         | 1,239,800        |          |                   |
| TR 0083+                                    | 100th Ave NE/NE 132nd Street Intersection Improvements |                  | 350,000           | 350,000           | 2,501,000        |                  |                  |                  | 3,201,000         | 700,000           |                  |          | 2,501,000         |
| <b>TR 0111 003</b>                          | <b>Kirkland ITS Implementation Phase IIC</b>           |                  | <b>576,000</b>    | <b>2,205,900</b>  | <b>129,100</b>   |                  |                  |                  | <b>2,911,000</b>  | <b>305,400</b>    | <b>404,500</b>   |          | <b>2,201,100</b>  |
| TR 0113+                                    | Citywide Safety & Traffic Flow Improvements            |                  | 302,200           |                   |                  |                  |                  |                  | 302,200           |                   | 2,200            |          | 300,000           |
| TR 8888*                                    | Annual Concurrency Traffic Improvements                |                  |                   |                   | 475,000          | 543,000          | 381,300          |                  | 1,399,300         | 1,169,300         | 230,000          |          |                   |
| <b>Total Funded Transportation Projects</b> |  | <b>3,965,000</b> | <b>12,903,200</b> | <b>11,916,800</b> | <b>8,847,800</b> | <b>6,610,000</b> | <b>6,691,300</b> | <b>6,878,000</b> | <b>53,847,100</b> | <b>37,003,500</b> | <b>2,957,500</b> | <b>0</b> | <b>13,886,100</b> |

**Other Funding Sources Used**

Notes  
 \* = Modification in timing and/or cost (see Project Modification Schedule for greater detail)  
 + = Moved from unfunded status to funded status  
 \* = Moved from funded status to unfunded status  
 ^ = Annual Program Project Candidates  
 Shaded year(s) = Previous timing  
**Bold italics = New projects**

| Project Number  | Project Title                                    | Budget           | Actual         | Balance          |
|---|--|------------------|----------------|------------------|
| ST 0057 001*  | NE 120th Street Roadway Extension (East Section) | 3,762,000        | 352,902        | 3,409,098        |
| <b>Total Prior Year(s) Funding (Budget to Actuals):</b> |  | <b>3,762,000</b> | <b>352,902</b> | <b>3,409,098</b> |

006

## City of Kirkland 2013-2018 Capital Improvement Program

### TRANSPORTATION PROJECTS

#### Unfunded Projects:

| Project Number                              | Project Title  | Total              |
|---|--|--------------------|
| ST 0055                                     | 98th Avenue NE Bridge Replacement                              | 10,196,000         |
| ST 0056                                     | 132nd Avenue NE Roadway Improvements                           | 25,170,000         |
| ST 0059^                                    | 124th Ave NE Roadway Improvements (North Section)              | 10,000,000         |
| ST 0060                                     | 118th Avenue NE Roadway Extension                              | 6,440,000          |
| ST 0061                                     | 119th Avenue NE Roadway Extension                              | 5,640,000          |
| ST 0062                                     | NE 130th Street Roadway Extension                              | 10,000,000         |
| ST 0063^                                    | 120th Avenue NE Roadway Improvements                           | 8,988,500          |
| ST 0064                                     | 124th Ave NE Roadway Widening Imprv (So. Sect'n)               | 30,349,000         |
| ST 0070                                     | 120th Ave NE/Totem Lake Plaza Roadway Imprvmnts                | 3,000,000          |
| ST 0072                                     | NE 120th St Roadway Improvements (West Section)                | 5,870,000          |
| ST 0073                                     | 120th Avenue NE Roadway Extension                              | 16,392,000         |
| ST 0077                                     | NE 132nd St Rdwy Imprv.-Phase I (West Section)                 | 1,348,000          |
| ST 0078                                     | NE 132nd St Rdwy Imprv.-Phase II (Mid Section)                 | 316,000            |
| ST 0079                                     | NE 132nd St Rdwy Imprv.-Phase III (East Section)               | 1,119,000          |
| ST 0081                                     | Totem Lake Area Development Opportunity Program                | 500,000            |
| <b>ST 0083 101</b>                          | <b>100th Ave NE Roadway Improvements</b>                       | <b>9,500,000</b>   |
| NM 0001                                     | 116th Ave NE (So. Sect.) Non-Motorz'd Facil-Phase II           | 3,378,000          |
| NM 0007                                     | NE 52nd Street Sidewalk  | 1,068,600          |
| NM 0026                                     | NE 90th Street Sidewalk (Phase II)                             | 2,584,200          |
| NM 0030                                     | NE 90th Street/I-405 Pedestrian/Bicycle Overpass               | 3,740,700          |
| NM 0031                                     | Crestwoods Park/BNSFR Ped/Bike Facility                        | 2,505,000          |
| NM 0032^                                    | 93rd Avenue Sidewalk   | 1,047,900          |
| NM 0036^                                    | NE 100th Street Bikelane                                       | 1,644,300          |
| NM 0037                                     | 130th Avenue NE Sidewalk                                       | 833,600            |
| NM 0041                                     | Forbes Valley Pedestrian Facility                              | 1,996,600          |
| NM 0043^                                    | NE 126th St Nonmotorized Facilities                            | 4,277,200          |
| NM 0045                                     | NE 95th Street Sidewalk (Highlands)                            | 571,500            |
| NM 0046^                                    | 18th Avenue SW Sidewalk  | 2,255,000          |
| NM 0047                                     | 116th Avenue NE Sidewalk (South Rose Hill)                     | 422,100            |
| NM 0048                                     | NE 60th Street Sidewalk  | 4,979,800          |
| NM 0049^                                    | 112th Ave NE Sidewalk  | 527,600            |
| NM 0050^                                    | NE 80th Street Sidewalk  | 859,700            |
| NM 0053^*                                   | NE 112th Street Sidewalk                                       | 424,000            |
| NM 0054                                     | 13th Avenue Sidewalk   | 446,700            |
| NM 0055^                                    | 122nd Ave NE Sidewalk  | 866,700            |
| NM 0056                                     | NE 90th Street Sidewalk (Phase I)                              | 1,165,700          |
| NM 0058                                     | 111th Avenue Non-Motorized/Emergency Access Connection         | 2,000,000          |
| NM 0061*                                    | NE 104th Street Sidewalk                                       | 1,085,000          |
| NM 0062                                     | 19th Avenue Sidewalk   | 814,200            |
| NM 0063                                     | Kirkland Way Sidewalk  | 414,500            |
| NM 0071                                     | NE 132nd Street Sidewalk Improvement                           | 363,000            |
| NM 0072                                     | NE 132nd Street Sidewalk at Finn Hill Middle School            | 693,000            |
| <b>NM 0074</b>                              | <b>90th Ave NE Sidewalk</b>                                    | <b>353,400</b>     |
| <b>NM 0075</b>                              | <b>84th Ave NE Sidewalk</b>                                    | <b>4,052,800</b>   |
| <b>NM 0076</b>                              | <b>NE 140th St Sidewalk - Muir Elem Walk Rt Enhan. Phase 1</b> | <b>1,131,000</b>   |
| <b>NM 0077</b>                              | <b>NE 140th St Sidewalk - Keller Elem Walk Rt Enhan. - N</b>   | <b>1,185,000</b>   |
| <b>NM 0078</b>                              | <b>NE 140th St Sidewalk - Keller Elem Walk Rt Enhan. - S</b>   | <b>747,000</b>     |
| <b>NM 0079</b>                              | <b>NE 140th St Sidewalk - Muir Elem Walk Rt Enhan. Phase 2</b> | <b>648,000</b>     |
| <b>NM 0080</b>                              | <b>Juanita-Kingsgate Pedestrian Bridge at I-405</b>            | <b>4,500,000</b>   |
| <b>Subtotal Unfunded ST and NM Projects</b> |  | <b>198,410,300</b> |

| Project Number                       | Project Title  | Total             |
|--------------------------------------|--|-------------------|
| TR 0056 <sup>f</sup>                 | NE 85th Street HOV Queue Bypass                                    | 841,000           |
| TR 0057                              | NE 124th Street HOV Queue Bypass                                   | 1,722,000         |
| TR 0065 <sup>f</sup>                 | 6th Street/Kirkland Way Traffic Signal                             | 564,000           |
| TR 0067                              | Kirkland Way/BNSFR Abutment/Intersection Imprv                     | 6,917,000         |
| TR 0068                              | Lake Washington Boulevard HOV Queue Bypass                         | 6,580,000         |
| TR 0072                              | NE 116th Street Eastbound HOV Queue Bypass                         | 7,337,000         |
| TR 0073                              | NE 70th Street Eastbound HOV Queue Bypass                          | 1,702,000         |
| TR 0074                              | NE 85th Street Westbound HOV Queue Bypass                          | 1,775,000         |
| TR 0075                              | NE 124th Street Westbound HOV Queue Bypass                         | 1,275,000         |
| TR 0082 <sup>f</sup>                 | Central Way/Park Place Center Traffic Signal                       | 200,000           |
| TR 0084                              | 100th Ave NE/NE 124th St Intersection Improvements                 | 2,230,000         |
| TR 0086^                             | NE 70th St/132nd Ave NE Intersection Improvements                  | 4,590,600         |
| TR 0088^                             | NE 85th St/120th Ave NE Intersection Improvements                  | 5,272,300         |
| TR 0089                              | NE 85th St/132nd Ave NE Intersection Imp (Phase II)                | 1,825,700         |
| TR 0090 <sup>f</sup>                 | Lake Washington Blvd/NE 38th Place Intersection Imp                | 500,000           |
| TR 0091^                             | NE 124th St/124th Ave NE Intersection Improvements                 | 3,503,300         |
| TR 0092                              | NE 116th St/124th Ave NE N-bound Dual Lft Turn Lanes               | 1,717,000         |
| TR 0093                              | NE 132nd St/Juanita H.S. Access Rd Intersect'n Imp                 | 916,000           |
| TR 0094                              | NE 132nd St/108th Avenue NE Intersect'n Imp                        | 618,000           |
| TR 0095                              | NE 132nd St/Fire Stn Access Dr Intersect'n Imp                     | 366,000           |
| TR 0096 <sup>f</sup>                 | NE 132nd St/124th Ave NE Intersect'n Imp                           | 5,713,000         |
| TR 0097                              | NE 132nd St/132nd Ave NE Intersect'n Imp                           | 889,000           |
| TR 0098 <sup>f</sup>                 | NE 132nd St/ 116th Way NE (I-405) Intersect'n Imp                  | 300,000           |
| TR 0099                              | 120th Ave/Totem Lake Way Intersection Improvements                 | 2,845,500         |
| <b>TR 0100 100</b>                   | <b>6th Street &amp; Central Way Intersection Imprvmnts Phase 2</b> | <b>1,866,800</b>  |
| TR 0103 <sup>f</sup>                 | Central Way/4th Street Intersection Improvements                   | 31,000            |
| TR 0104 <sup>f</sup>                 | 6th Street/4th Ave Intersection Improvements                       | 580,000           |
| TR 0105 <sup>f</sup>                 | Central Way/5th Street Intersection Improvements                   | 564,000           |
| TR 0106 <sup>f</sup>                 | 6th Street/7th Avenue Intersection Improvements                    | 89,400            |
| TR 0107 <sup>f</sup>                 | Market Street/15th Avenue Intersection Improvements                | 564,000           |
| TR 0108 <sup>f</sup>                 | NE 85th Street/124th Ave NE Intersection Improvements              | 889,000           |
| TR 0109 <sup>f</sup>                 | Totem Lake Plaza/Totem Lake Blvd Intersection Imprv.               | 1,500,000         |
| TR 0110 <sup>f</sup>                 | Totem Lake Plaza/120th Ave NE Intersection Imprv.                  | 1,500,000         |
| TR 0111 001                          | Kirkland ITS Implementation Phase II                               | 1,189,000         |
| <b>TR 0111 002</b>                   | <b>Kirkland ITS Implementation Phase IIB</b>                       | <b>2,644,000</b>  |
| <b>TR 0114</b>                       | <b>Slater Avenue NE Traffic Calming - Phase I</b>                  | <b>247,000</b>    |
| <b>Subtotal Unfunded TR Projects</b> |  | <b>71,863,600</b> |

|  |                    |
|--|--------------------|
| <b>Total Unfunded Transportation (ST, NM, and TR) Projects</b> | <b>270,273,900</b> |
|--|--------------------|

|  |                  |
|--|------------------|
| <b>Funding Available from Annual Programs for Candidate Projects</b> | <b>6,329,000</b> |
|--|------------------|

|   |                    |
|---|--------------------|
| <b>Net Unfunded Transportation Projects</b> | <b>263,944,900</b> |
|---|--------------------|

\* = Modification in timing and/or cost (see Project Modification Schedule for greater detail)

+ = Moved from unfunded status to funded status

" = Moved from funded status to unfunded status

^ = Annual Program Project Candidates

Shaded year(s) = Previous timing

**Bold italics = New projects**

# = Projects to be funded with development-related revenues



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Trust Funds account for resources held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

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**GENERAL GOVERNMENT  
TRUST FUNDS**



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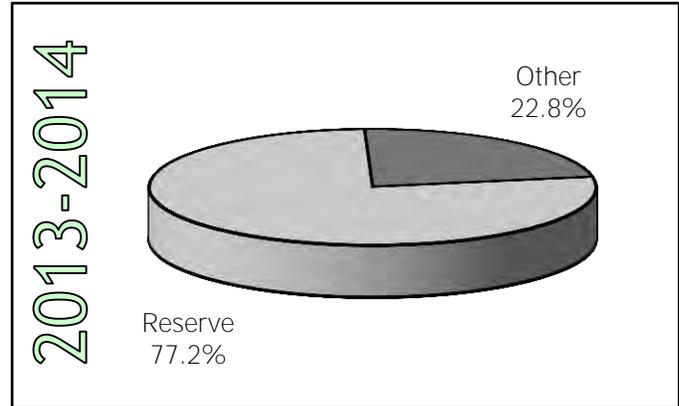
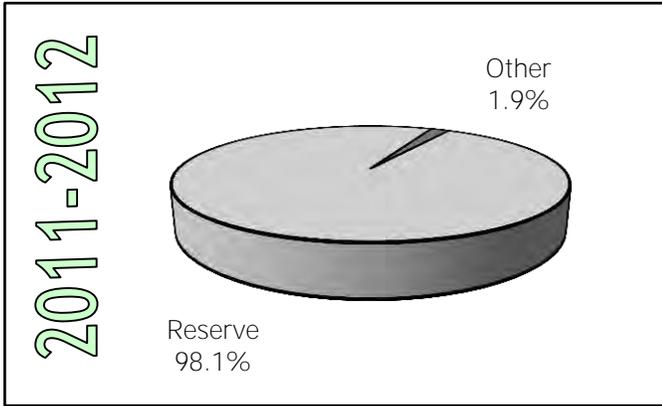
**CITY OF KIRKLAND**

***GENERAL GOVERNMENT TRUST FUNDS***

Trust Funds (fiduciary funds) report assets held in a trustee or agency capacity for others and therefore cannot be used to support the **government's own programs**. The City has one trust fund:

- The **Firefighter's Pension Fund** provides retirement and disability benefits for firefighters hired prior to March 1, 1970. Revenue includes proceeds of a state-imposed tax on fire insurance premiums and interest.

# CITY OF KIRKLAND GENERAL GOVERNMENT NON-OPERATING TRUST FUNDS



## 2011-2012 BUDGET SUMMARY: BY PURPOSE

| Fund                      | 2011-12 Budget   | Budget by Purpose |          |          |               |
|---------------------------|------------------|-------------------|----------|----------|---------------|
|                           |                  | Reserve           | Debt     | Capital  | Other         |
| 620 Firefighter's Pension | 1,767,099        | 1,734,215         | -        | -        | 32,884        |
| <b>Total Trust Funds</b>  | <b>1,767,099</b> | <b>1,734,215</b>  | <b>-</b> | <b>-</b> | <b>32,884</b> |

## 2013-2014 BUDGET SUMMARY: BY PURPOSE

| Fund                      | 2013-14 Budget   | Budget by Purpose |          |          |                |
|---------------------------|------------------|-------------------|----------|----------|----------------|
|                           |                  | Reserve           | Debt     | Capital  | Other          |
| 620 Firefighter's Pension | 1,921,858        | 1,484,209         | -        | -        | 437,649        |
| <b>Total Trust Funds</b>  | <b>1,921,858</b> | <b>1,484,209</b>  | <b>-</b> | <b>-</b> | <b>437,649</b> |

**CITY OF KIRKLAND  
CHANGE IN FUND BALANCE (Beginning 2011 to Ending 2014)  
GENERAL GOVERNMENT NON-OPERATING**

**TRUST FUND**

|  | <b>Firefighter's Pension</b> |
|--|------------------------------|
| <b>2011-12 Estimated Ending Fund Balance</b>                     | <b>1,595,017</b>             |
| <i>Reserved</i>  | <i>1,595,017</i>             |
| <i>Unreserved Working Capital</i>                                | <i>-</i>                     |
| Plus: 2011-12 Estimated Revenues                                 | 183,899                      |
| Less: 2011-12 Estimated Expenditures                             | 33,367                       |
| <b>2011-12 Estimated Ending Fund Balance</b>                     | <b>1,745,549</b>             |
| Less: Funding for Carryovers to 2013                             | -                            |
| <b>2013 Budgeted Beginning Fund Balance</b>                      | <b>1,745,549</b>             |
| Plus: 2013-14 Budgeted Revenues                                  | 176,309                      |
| Less: 2013-14 Budgeted Expenditures                              | 437,649                      |
| <b>2014 Budgeted Ending Fund Balance</b>                         | <b>1,484,209</b>             |
| <i>Reserved</i>  | <i>1,484,209</i>             |
| <i>Unreserved Working Capital</i>                                | <i>-</i>                     |
| <b>Change in Fund Balance:<br/>Beginning 2011 to Ending 2014</b> | <b>(110,808)</b>             |

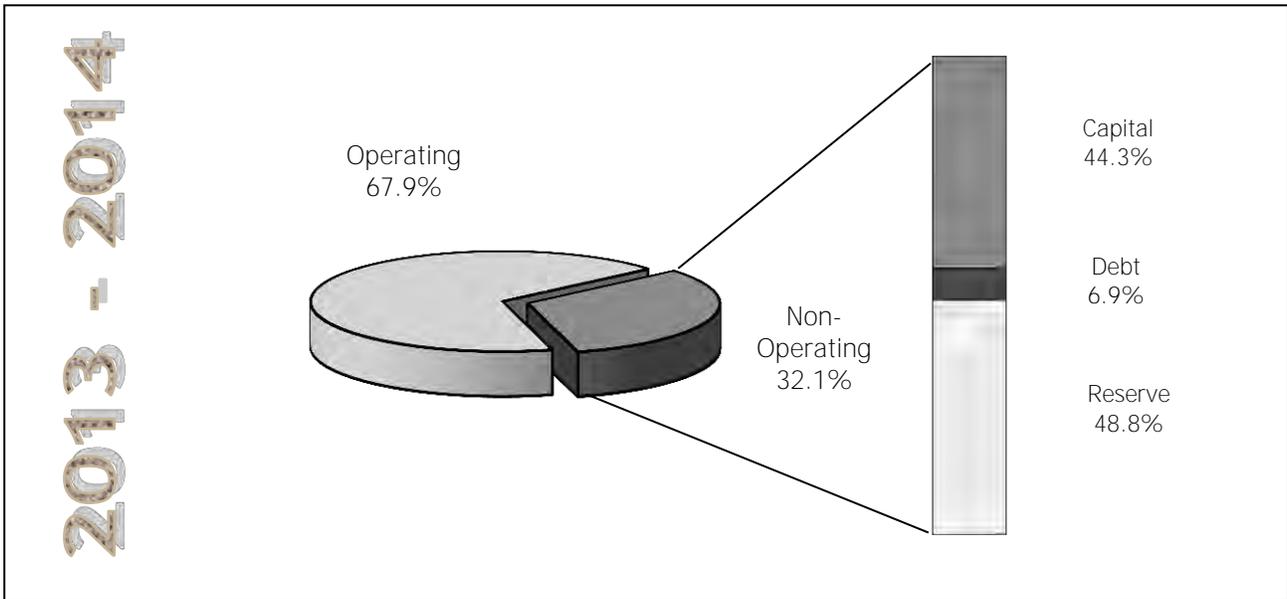
**Note:**

The decrease in fund balance reflects the payment of Fire LEOFF 1 retiree medical costs, per recommendations from the 2010 Actuarial Valuation Report.



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**CITY OF KIRKLAND  
 WATER/SEWER UTILITY  
 2013-2014 BUDGET OVERVIEW: BY FUND TYPE/FUND**



The Water/Sewer Utility operating budget accounts for the purchase of water from the Cascade Water Alliance and sewage treatment services from METRO/King County as well as all maintenance and administrative costs. The non-operating budget accounts for principal and interest payments on utility debt, capital projects, and reserves.

**Analysis of Change**

| Fund                                   | 2011-12 Budget    | 2013-14 Budget    | Percent Change |
|--|-------------------|-------------------|----------------|
| <b>Operating Fund</b>                  |                   |                   |                |
| 411 Water/Sewer Operating              | 45,948,241        | 52,829,481        | 14.98%         |
| <b>Total Operating Fund</b>            | <b>45,948,241</b> | <b>52,829,481</b> | <b>14.98%</b>  |
| <b>Non-Operating Funds</b>             |                   |                   |                |
| 412 Water/Sewer Debt Service           | 2,962,187         | 2,567,358         | -13.33%        |
| 413 Utility Capital Projects           | 18,054,238        | 22,415,061        | 24.15%         |
| <b>Total Non-Operating Funds</b>       | <b>21,016,425</b> | <b>24,982,419</b> | <b>18.87%</b>  |
| <b>Total Water/Sewer Utility Funds</b> | <b>66,964,666</b> | <b>77,811,900</b> | <b>16.20%</b>  |

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2011 to Ending 2014)**  
**WATER/SEWER UTILITY FUNDS**

|  | Water/Sewer<br>Operating | Non-Operating               |  | Total              |
|--|--------------------------|-----------------------------|--|--------------------|
|  |                          | Water/Sewer<br>Debt Service | Utility Capital<br>Projects <sup>1</sup> |                    |
| <b>2011 Actual Beginning Fund Balance</b>                        | <b>5,597,922</b>         | <b>822,274</b>              | <b>9,872,222</b>                         | <b>16,292,418</b>  |
| <i>Reserved</i>  | <i>4,664,255</i>         | <i>822,274</i>              | <i>9,537,742</i>                         | <i>15,024,271</i>  |
| <i>Unreserved Working Capital</i>                                | <i>933,667</i>           | <i>-</i>                    | <i>334,480</i>                           | <i>1,268,147</i>   |
| Plus: 2011-12 Estimated Revenues                                 | 39,599,106               | 2,461,012                   | 9,082,503                                | <b>51,142,621</b>  |
| Less: 2011-12 Estimated Expenditures                             | 40,138,504               | 2,453,470                   | 3,987,736                                | <b>46,579,710</b>  |
| <b>2011-12 Estimated Ending Fund Balance</b>                     | <b>5,058,524</b>         | <b>829,816</b>              | <b>14,966,989</b>                        | <b>20,855,329</b>  |
| Less: Funding for Carryovers to 2013                             | 366,194                  | -                           | -  | <b>366,194</b>     |
| <b>2013 Budgeted Beginning Fund Balance</b>                      | <b>4,692,330</b>         | <b>829,816</b>              | <b>14,966,989</b>                        | <b>20,489,135</b>  |
| Plus: 2013-14 Budgeted Revenues                                  | 48,137,151               | 1,737,542                   | 7,448,072                                | <b>57,322,765</b>  |
| Less: 2013-14 Budgeted Expenditure                               | 48,216,378               | 1,727,151                   | 15,841,518                               | <b>65,785,047</b>  |
| <b>2014 Budgeted Ending Fund Balance</b>                         | <b>4,613,103</b>         | <b>840,207</b>              | <b>6,573,543</b>                         | <b>12,026,853</b>  |
| <i>Reserved</i>  | <i>2,414,471</i>         | <i>840,207</i>              | <i>6,573,543</i>                         | <i>9,828,221</i>   |
| <i>Unreserved Working Capital</i>                                | <i>2,198,632</i>         | <i>-</i>                    | <i>-</i>                                 | <i>2,198,632</i>   |
| <b>Change in Fund Balance:<br/>Beginning 2011 to Ending 2014</b> | <b>(984,819)</b>         | <b>17,933</b>               | <b>(3,298,679)</b>                       | <b>(4,265,565)</b> |

**Notes:**

<sup>1</sup> The reduction in fund balance of the Utility Capital Projects Fund is due to the completion of capital projects that were funded but not constructed in prior years. The water/sewer construction reserve within the Utility Capital Projects Fund accumulates resources for future projects.

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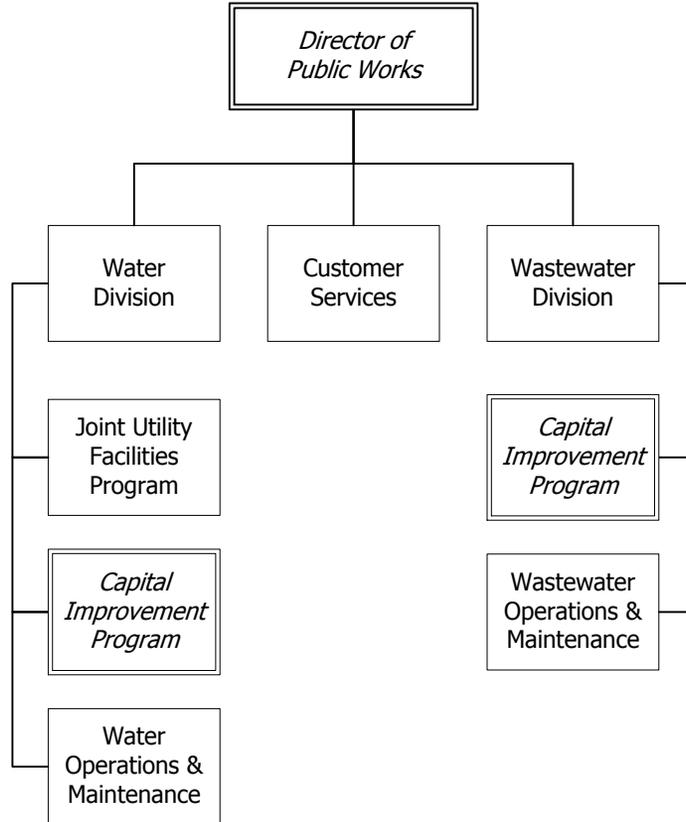
**OPERATING**



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# CITY OF KIRKLAND Public Works Department

## Water/Sewer Fund



*Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.*

## DEPARTMENT OVERVIEW

# ***WATER/SEWER OPERATING FUND***

## MISSION

The **Water/Sewer Operating Fund** is established to account for the resources necessary for the maintenance, operation, and minor construction of water and sewer system appurtenances, including water and sewer services, mains, pump systems, and other related infrastructure.

## DEPARTMENT FUNCTIONS

The Water/Sewer Division of Public Works oversees 169.3 miles of water mains, 34 pressure-reducing stations (PRVs), three water supply/pump stations, two water reservoirs, and 1,773 fire hydrants. The Wastewater Division operates, maintains, and repairs 120 miles of sewer mains, 3,164 manholes, and six sewer lift stations.

The Water/Sewer Division provides for construction of all new services such as installation of new single-family water connections, manhole construction, and water valve construction that are not included in the Capital Improvement Program.

Major projects that allow the City to meet its water and waste water goals and objectives are administered within the Capital Improvement Program by the Capital Projects Division. Customer billing is administered by the Finance and Administration Department.

## RELATIONSHIP TO COUNCIL GOALS

### Financial Stability

- Implement and maintain a rate structure that ensures financial stability of the Water/Sewer Utility and maintenance of reserves.

### Environment

- Inspect food preparation establishments to educate and help reduce fats, oil and grease accumulation in Kirkland's sewer system.

### Dependable Infrastructure

- Provide the necessary inspections, repairs, and maintenance to provide a high quality, dependable source of drinking water to City of Kirkland residents, along with responding to direct customer service requests and reading water meters for utility billing.
- Provide the necessary inspections, repairs and maintenance to ensure the proper collection and conveyance of wastewater to treatment facilities.

## BUDGET HIGHLIGHTS

### 2013-2014 Reductions and Efficiencies

- Eliminate the use of seasonal laborers for fire hydrant painting and meter change outs.
- Condense Water Comprehensive Plan process with the Department of Health.
- Clean concrete sewer lines that historically have plugged. Spot checked the remaining system and cleaned based on inspection results.

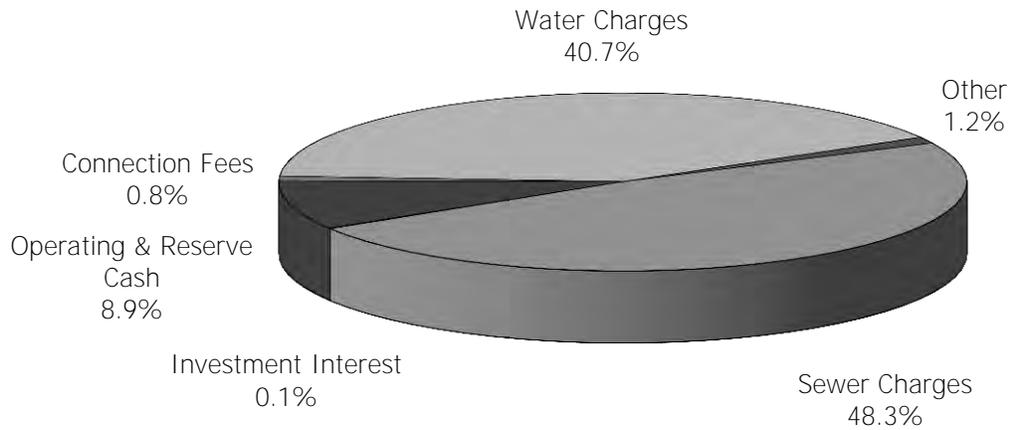
### 2013-2014 Additions

- Increase in Cascade Water Alliance Membership - \$490,849.
- Increase in wastewater treatment costs to King County Metro - \$1,433,940.
- Increase in water quality testing requirements by the Department of Health - \$10,000.
- Increase for street cut/utility patch fees - \$94,000.

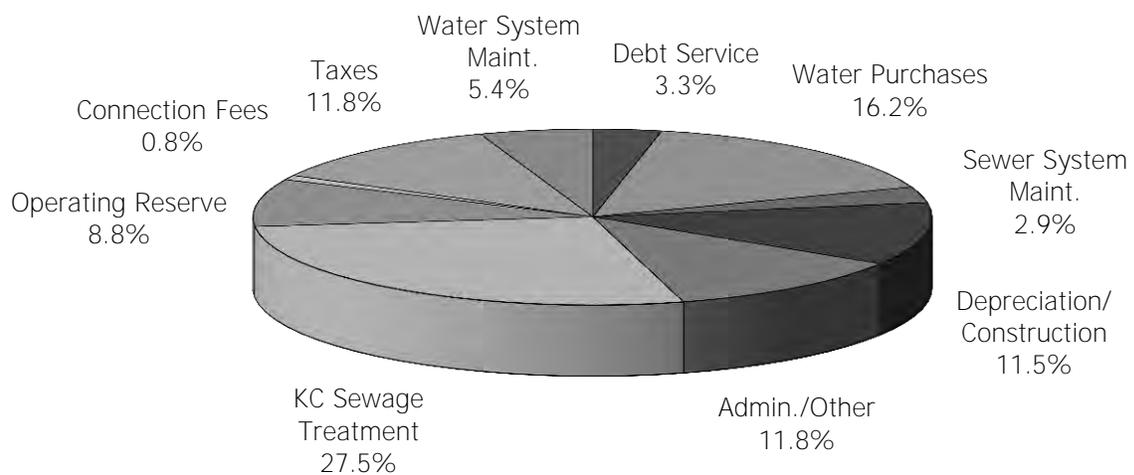
- Increase in Department of Health operating permit fee - \$10,000.
- Increase state taxes based on recent interpretation of generally accepted accounting principles **for recording of the City's utility tax**. The City tax revenue now shows as a revenue of the utility, offset by a transfer to the General Fund - \$4,946,669. **A corresponding reduction in the City's utility tax rate** will result in no net increase to customers.
- Reserves assume that the interfund loan to fund the purchase of the Cross Kirkland Corridor will be repaid by the end of the biennium. Note that the repayment may occur as early as December 2012.

# 2013-2014 BUDGET WATER/SEWER OPERATING FUND

## Sources of Funds



## Uses of Funds



**2013 - 2014 FINANCIAL OVERVIEW**

***WATER/SEWER OPERATING FUND***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 2,596,103                   | 2,511,733                     | 2,634,767                   | 2,527,819                   | -4.06%                    |
| Benefits            | 1,062,780                   | 1,173,409                     | 1,269,516                   | 1,305,034                   | 2.80%                     |
| Supplies            | 7,662,592                   | 8,719,226                     | 8,993,042                   | 9,211,184                   | 2.43%                     |
| Other Services      | 5,210,529                   | 5,970,447                     | 5,951,539                   | 6,064,715                   | 1.90%                     |
| Government Services | 20,611,683                  | 22,938,726                    | 22,340,689                  | 28,796,258                  | 28.90%                    |
| Capital Outlay      | 51,025                      | 130,771                       | 283,605                     | 180,457                     | -36.37%                   |
| Reserves            | -                           | -                             | 4,475,083                   | 4,744,014                   | 6.01%                     |
| <b>TOTAL</b>        | <b>37,194,712</b>           | <b>41,444,312</b>             | <b>45,948,241</b>           | <b>52,829,481</b>           | <b>14.98%</b>             |

**FINANCIAL SUMMARY BY DIVISION**

|                           | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Utility Operations/Maint. | 20,651,879                  | 25,061,447                    | 25,954,997                  | 28,143,535                  | 8.43%                     |
| Administration            | 8,828,080                   | 9,257,278                     | 14,057,842                  | 18,270,217                  | 29.96%                    |
| Capital Construction      | 7,425,428                   | 6,801,026                     | 5,554,296                   | 6,043,179                   | 8.80%                     |
| Utility Joint Facilities  | 289,325                     | 324,561                       | 381,106                     | 372,550                     | -2.25%                    |
| <b>TOTAL</b>              | <b>37,194,712</b>           | <b>41,444,312</b>             | <b>45,948,241</b>           | <b>52,829,481</b>           | <b>14.98%</b>             |

**POSITION SUMMARY BY DIVISION**

|                           | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|---------------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Utility Operations/Maint. | 16.20                       | -0.90              | 15.30                       | 0.00               | 15.30                       |
| Administration            | 5.01                        | -0.50              | 4.51                        | 0.00               | 4.51                        |
| Capital Construction      | 0.00                        | 0.00               | 0.00                        | 0.00               | 0.00                        |
| Utility Joint Facilities  | 0.00                        | 0.00               | 0.00                        | 0.00               | 0.00                        |
| <b>TOTAL</b>              | <b>21.21</b>                | <b>-1.40</b>       | <b>19.81</b>                | <b>0.00</b>        | <b>19.81</b>                |

**2013-2014 POSITION SUMMARY**

***WATER/SEWER OPERATING FUND***

**POSITION SUMMARY BY CLASSIFICATION**

| <b>Classification</b>             | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|-----------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Internal Services Manager         | 0.15                           |                              |                             | 0.15                           | 6,645 - 8,575                         |
| Stormwater/Sewer Division Manager | 0.50                           |                              |                             | 0.50                           | 6,645 - 8,575                         |
| Water Manager                     | 1.00                           |                              |                             | 1.00                           | 6,645 - 8,575                         |
| Management Analyst                | 0.60                           |                              |                             | 0.60                           | 5,559 - 6,540                         |
| Leadperson                        | 1.25                           |                              |                             | 1.25                           | 5,100 - 6,154                         |
| Yard Maint. & Inventory Control   | 0.60                           |                              |                             | 0.60                           | 4,279 - 5,527                         |
| Senior Maintenance Person         | 4.50                           |                              |                             | 4.50                           | 4,279 - 5,527                         |
| Utility Craftsperson              | 1.75                           |                              |                             | 1.75                           | 3,988 - 5,098                         |
| Permit Technician                 | 0.40                           |                              |                             | 0.40                           | 4,300 - 5,058                         |
| Accounting Support Assoc. IV      | 0.70                           |                              |                             | 0.70                           | 4,107 - 4,832                         |
| Grounds Technician                | 0.10                           |                              |                             | 0.10                           | 3,368 - 4,362                         |
| Utilityperson                     | 7.10                           |                              |                             | 7.10                           | 3,368 - 4,362                         |
| Public Works Office Specialist    | 0.50                           |                              |                             | 0.50                           | 3,675 - 4,323                         |
| Utility Data Entry Clerk          | 0.66                           |                              |                             | 0.66                           | 3,326 - 3,913                         |
| <b>TOTAL</b>                      | 19.81                          | 0.00                         | 0.00                        | 19.81                          |                                       |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|  |  | 2009 -2010<br>Actual | 2011 - 2012<br>Estimate | 2011- 2012<br>Budget | 2013 -2014<br>Budget | Percent<br>Change |
|--|--|----------------------|-------------------------|----------------------|----------------------|-------------------|
| <b>Fund:</b>                                     | <b>WaterSewer Utility Operating (411)</b>        |                      |                         |                      |                      |                   |
| <b>Department:</b>                               | <b>General</b>                                   |                      |                         |                      |                      |                   |
| <b>Division:</b>                                 | <b>Not Applicable</b>                            |                      |                         |                      |                      |                   |
| <b>Key:</b>                                      | <b>Water Sewer Utility Operating (411000000)</b> |                      |                         |                      |                      |                   |
| <b>Intergovernmental Revenue</b>                 |  |                      |                         |                      |                      |                   |
| Dept of Homeland Security                        | 3319703  | 2,816                | 0                       | 0                    | 0                    | 0.00%             |
| Indirect FEMA                                    | 3339703  | 0                    | 2,505                   | 0                    | 0                    | 0.00%             |
| Military Department                              | 3340180  | 469                  | 387                     | 0                    | 0                    | 0.00%             |
| Intergovt*Other Gen Govt Svcs                    | 3381901  | 134,690              | 129,722                 | 99,282               | 0                    | 0.00%             |
| <b>Total for Intergovernmental Revenue:</b>      |  | 137,975              | 132,614                 | 99,282               | 0                    | 0.00%             |
| <b>Charges for Goods and Services</b>            |  |                      |                         |                      |                      |                   |
| Other*General Government Svcs                    | 3419001  | 13,434               | 10,772                  | 10,000               | 0                    | 0.00%             |
| General Govt Services                            | 3419601  | 0                    | 0                       | 0                    | 130,000              | 0.00%             |
| Residential Water Sales                          | 3434001  | 9,794,782            | 8,868,857               | 10,422,604           | 9,600,414            | -7.88%            |
| Multi-Family Water Service                       | 3434003  | 3,898,792            | 4,581,532               | 4,130,773            | 4,984,830            | 20.67%            |
| Commercial Water Sales                           | 3434004  | 3,342,552            | 3,559,505               | 3,480,108            | 1,897,091            | -45.48%           |
| Water Service Penalties                          | 3434005  | 113,938              | 123,418                 | 110,000              | 120,000              | 9.09%             |
| Eff Utility Tax Revenue Wtr                      | 3434008  | 0                    | 0                       | 0                    | 2,524,566            | 0.00%             |
| Residential Sewer Svc-City                       | 3435001  | 10,729,120           | 12,161,377              | 12,095,967           | 13,389,057           | 10.69%            |
| Multi-Family Sewer Svc-City                      | 3435003  | 3,984,645            | 4,566,545               | 4,683,887            | 5,181,383            | 10.62%            |
| Commercial Sewer Svc-City                        | 3435005  | 3,412,583            | 3,826,578               | 3,927,479            | 4,356,028            | 10.91%            |
| Sewer Service Penalties                          | 3435007  | 119,514              | 139,434                 | 120,000              | 150,000              | 25.00%            |
| Eff Utility Tax Revenue Swr                      | 3435008  | 0                    | 0                       | 0                    | 2,422,103            | 0.00%             |
| Misc Utility Revenue                             | 3438901  | 0                    | 56,721                  | 0                    | 0                    | 0.00%             |
| Water OffOn Charge                               | 3439001  | 264,997              | 211,708                 | 280,000              | 232,000              | -17.14%           |
| Estimated Final Bill Fee                         | 3439003  | 0                    | 25,940                  | 0                    | 0                    | 0.00%             |
| Interfund Personnel Services                     | 3491601  | 0                    | 17,545                  | 0                    | 0                    | 0.00%             |
| Interfund-Other Gen Govnmt                       | 3491901  | 40,908               | 28,524                  | 5,000                | 36,000               | 620.00%           |
| <b>Total for Charges for Goods and Services:</b> |  | 35,715,265           | 38,178,456              | 39,265,818           | 45,023,472           | 14.66%            |
| <b>Fines and Forfeits</b>                        |  |                      |                         |                      |                      |                   |
| Forfeiture of Bonds Deposits                     | 3591001  | 0                    | 6,805                   | 0                    | 0                    | 0.00%             |
| <b>Total for Fines and Forfeits:</b>             |  | 0                    | 6,805                   | 0                    | 0                    | 0.00%             |
| <b>Miscellaneous Revenues</b>                    |  |                      |                         |                      |                      |                   |
| Investment Interest                              | 3611101  | 309,015              | 94,917                  | 83,248               | 70,000               | -15.91%           |
| Int on Sales Tax Contract AR                     | 3614001  | 9,004                | 0                       | 0                    | 0                    | 0.00%             |
| Facilities Leases LT-Other                       | 3625002  | 123,394              | 112,055                 | 113,700              | 116,000              | 2.02%             |
| Housing Rental Leases                            | 3626001  | 8,835                | 0                       | 0                    | 0                    | 0.00%             |
| Interfund Loan Interest                          | 3661001  | 5,000                | 0                       | 0                    | 0                    | 0.00%             |
| Hydrant*Rental-Interfund                         | 3662001  | 200,494              | 471,557                 | 471,557              | 455,679              | -3.36%            |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

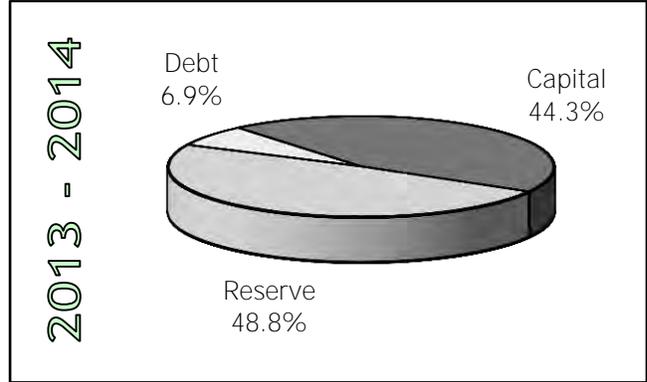
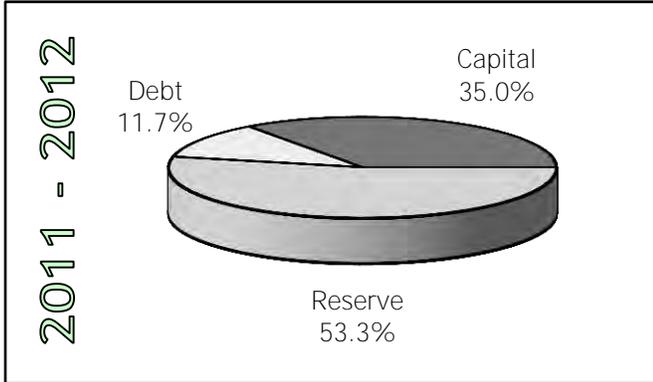
|  |         | <b>2009 -2010<br/>Actual</b> | <b>2011 - 2012<br/>Estimate</b> | <b>2011- 2012<br/>Budget</b> | <b>2013 - 2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|--|---------|------------------------------|---------------------------------|------------------------------|-------------------------------|---------------------------|
| Contributions Private  | 3679901 | 15,000                       | 0                               | 0                            | 0                             | 0.00%                     |
| Sale of Scrap Material   | 3691001 | 12,853                       | 35,958                          | 7,000                        | 30,000                        | 328.57%                   |
| Other Judgements Settlements                                     | 3694001 | 14,292                       | 25,445                          | 5,000                        | 20,000                        | 300.00%                   |
| Other Misc Revenue   | 3699001 | 98,296                       | 2,512                           | 2,000                        | 2,000                         | 0.00%                     |
| <b>Total for Miscellaneous Revenues:</b>                         |         | <b>796,183</b>               | <b>742,444</b>                  | <b>682,505</b>               | <b>693,679</b>                | <b>1.63%</b>              |
| <b>Proprietary Other Income</b>                                  |         |                              |                                 |                              |                               |                           |
| Regional Water Connection Chg                                    | 3791003 | 401,829                      | 538,266                         | 300,000                      | 440,000                       | 46.66%                    |
| Emergency Sewer Program Coll                                     | 3791006 | 5,202                        | 8,248                           | 0                            | 0                             | 0.00%                     |
| <b>Total for Proprietary Other Income:</b>                       |         | <b>407,031</b>               | <b>546,514</b>                  | <b>300,000</b>               | <b>440,000</b>                | <b>46.66%</b>             |
| <b>Non-Revenues</b>  |         |                              |                                 |                              |                               |                           |
| Prop Intergovt Loan Proceeds                                     | 3828001 | 2,000,000                    | 0                               | 0                            | 0                             | 0.00%                     |
| <b>Total for Non-Revenues:</b>                                   |         | <b>2,000,000</b>             | <b>0</b>                        | <b>0</b>                     | <b>0</b>                      | <b>0.00%</b>              |
| <b>Other Financing Sources</b>                                   |         |                              |                                 |                              |                               |                           |
| Proceeds Sales of Fixed Assets                                   | 3951001 | 799                          | 0                               | 0                            | 0                             | 0.00%                     |
| Resources Forward  | 3999901 | 0                            | 5,597,922                       | 5,597,922                    | 4,692,330                     | -16.17%                   |
| <b>Total for Other Financing Sources:</b>                        |         | <b>799</b>                   | <b>5,597,922</b>                | <b>5,597,922</b>             | <b>4,692,330</b>              | <b>-16.17%</b>            |
| <b>Total for Water Sewer Utility Operating<br/>(4110000000):</b> |         | <b>39,057,253</b>            | <b>45,204,755</b>               | <b>45,945,527</b>            | <b>50,849,481</b>             | <b>10.67%</b>             |
| <b>Total for Not Applicable:</b>                                 |         | <b>39,057,253</b>            | <b>45,204,755</b>               | <b>45,945,527</b>            | <b>50,849,481</b>             | <b>10.67%</b>             |
| <b>Total for General:</b>  |         | <b>39,057,253</b>            | <b>45,204,755</b>               | <b>45,945,527</b>            | <b>50,849,481</b>             | <b>10.67%</b>             |
| <b>Total for WaterSewer Utility Operating:</b>                   |         | <b>39,057,253</b>            | <b>45,204,755</b>               | <b>45,945,527</b>            | <b>50,849,481</b>             | <b>10.67%</b>             |

**NON-OPERATING**



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# CITY OF KIRKLAND WATER/SEWER UTILITY



## 2011-2012 BUDGET SUMMARY: BY PURPOSE

| Fund                             | 2011-12 Budget    | Purpose           |                  |                  |          |
|----------------------------------|-------------------|-------------------|------------------|------------------|----------|
|                                  |                   | Reserve           | Debt             | Capital          | Other    |
| 412 Debt Service                 | 2,962,187         | 508,717           | 2,453,470        | -                | -        |
| 413 Utility Capital Projects     | 18,054,238        | 10,705,372        | -                | 7,348,866        | -        |
| <b>Total Non-Operating Funds</b> | <b>21,016,425</b> | <b>11,214,089</b> | <b>2,453,470</b> | <b>7,348,866</b> | <b>-</b> |

## 2013-2014 BUDGET SUMMARY: BY PURPOSE

| Fund                             | 2013-14 Budget    | Purpose           |                  |                   |          |
|----------------------------------|-------------------|-------------------|------------------|-------------------|----------|
|                                  |                   | Reserve           | Debt             | Capital           | Other    |
| 412 Debt Service                 | 2,567,358         | 840,207           | 1,727,151        | -                 | -        |
| 413 Utility Capital Projects     | 22,415,061        | 11,339,061        | -                | 11,076,000        | -        |
| <b>Total Non-Operating Funds</b> | <b>24,982,419</b> | <b>12,179,268</b> | <b>1,727,151</b> | <b>11,076,000</b> | <b>-</b> |

**CITY OF KIRKLAND**

***WATER/SEWER UTILITY DEBT SERVICE FUND***

There are two types of debt generally issued by the City for utility purposes:

- **Revenue Bonds** represent debt that is repaid from a designated revenue source such as fees. The City uses revenue bonds to pay for improvements related to the water and sewer utility. The annual debt service requirements of revenue bond issues are incorporated into the water and sewer rates which are paid bi-monthly by utility customers.
- **Local Improvement District (LID) Bonds** represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the City. LIDs are formed by the City Council after a majority of property owners agree to the assessment. Currently the City has no LID Bonds outstanding.

In addition to bonds, the City can take advantage of low interest loans from the state's **Public Works Trust Fund**. Loans for approved projects are granted with interest rates ranging from one-half to three percent depending on the amount of the City's matching funds. Loans are awarded through a competitive process. At this time, the City has five outstanding one percent loans and two one-half percent loans, which were issued for water/sewer capital improvement purposes. Debt service is repaid through utility rates.

The City's debt management policies provide guidelines for the appropriate use of debt. The complete policies are contained at the end of this document in the appendix. Some key debt management policies include:

- *City Council approval is required prior to issuance of utility debt.*
- *Revenue bonds shall be issued only when operating revenues are insufficient for the enterprise's capital financing needs.*
- *The City will conduct a thorough analytical review before issuing debt and maintain a good credit rating at all times.*
- *The City will insure that net operating revenues of the enterprise constitute a minimum of 1.5 times the annual debt service requirements.*
- *The City will use refunding bonds (refinancing) to restructure current outstanding debt when sufficient savings can be realized from lower interest rates.*

When the City issues debt, a thorough review of the City's financial condition is completed by bond rating agencies. Based on their findings, the bonds are given a rating. The City's bond rating is a reflection of its creditworthiness and affects the cost to the City of issuing debt. There are two rating agencies -- Standard and Poor's (S&P) and Moody's Investor Service -- that rate Kirkland's bonds. Standard and Poor's upgraded Kirkland's rating as of November 17, 2008 to AAA from AA- due to the utility's strong performance and the rating agency's revised criteria. As of April 2010, Moody's upgraded the utility's rating from A1 to Aa2.

Once bonds are rated, the City enters the bond market to secure the necessary funding. The proceeds (cash) received from selling the bonds are placed in the Utility Capital Projects Fund to account for the cost of constructing the capital improvement. The Water/Sewer Utility Debt Service Fund was created to track the principal and interest payments for all utility-related debt and required reserves. Each year a sufficient amount of revenue is budgeted and placed in the fund to pay the annual principal and interest due.

**CITY OF KIRKLAND  
 WATER/SEWER UTILITY  
 DEBT SERVICE FUND  
 2013-2014 PAYMENT AND RESERVE SUMMARY**

2011-2012 Budget

| Fund                           | Payment          |                | Reserve        | Total            |
|--------------------------------|------------------|----------------|----------------|------------------|
|                                | Principal        | Interest       |                |                  |
| 412 Water/Sewer Debt Service   | 2,269,356        | 184,114        | 508,717        | 2,962,187        |
| <b>Total Debt Service Fund</b> | <b>2,269,356</b> | <b>184,114</b> | <b>508,717</b> | <b>2,962,187</b> |

2013-2014 Budget

| Fund                           | Payment          |               | Reserve        | Total            |
|--------------------------------|------------------|---------------|----------------|------------------|
|                                | Principal        | Interest      |                |                  |
| 412 Water/Sewer Debt Service   | 1,666,021        | 61,129        | 840,207        | 2,567,358        |
| <b>Total Debt Service Fund</b> | <b>1,666,021</b> | <b>61,129</b> | <b>840,207</b> | <b>2,567,358</b> |

**City of Kirkland  
2004 Water/Sewer Revenue and Refunding Bonds**

**Purpose: Water/Sewer Capital Improvements  
Refunds 1995 Water/Sewer Revenue Bonds and  
Reissues 1992 Water/Sewer Refunding**

|                 |             |                   |            |
|-----------------|-------------|-------------------|------------|
| Denomination    | \$5,000     | Date of Bond Sale | 8/1/2004   |
| Amount of Issue | \$3,090,000 | Net Interest Rate | 3.613%     |
| Ordinance       | 3955        | Org:              | 4120009041 |

**DEBT SERVICE SCHEDULE**

| Year   | Interest Dates |            | Interest Rate | Maturity Date | Principal Amount | Total Payment | Principal Balance |
|--------|----------------|------------|---------------|---------------|------------------|---------------|-------------------|
|        | June 1         | December 1 |               |               |                  |               |                   |
| 2004   | 0              | 33,304     | 2.00%         | 6/1/2004      | 0                | 33,304        | 3,090,000         |
| 2005   | 49,956         | 46,656     | 2.00%         | 6/1/2005      | 330,000          | 426,613       | 2,760,000         |
| 2006   | 46,656         | 42,719     | 2.50%         | 6/1/2006      | 315,000          | 404,375       | 2,445,000         |
| 2007   | 42,719         | 38,444     | 3.00%         | 6/1/2007      | 285,000          | 366,163       | 2,160,000         |
| 2008   | 38,444         | 34,019     | 3.00%         | 6/1/2008      | 295,000          | 367,463       | 1,865,000         |
| 2009   | 34,019         | 29,444     | 3.00%         | 6/1/2009      | 305,000          | 368,463       | 1,560,000         |
| 2010   | 29,444         | 24,325     | 3.25%         | 6/1/2010      | 315,000          | 368,769       | 1,245,000         |
| 2011   | 24,325         | 21,700     | 3.50%         | 6/1/2011      | 150,000          | 196,025       | 1,095,000         |
| 2012   | 21,700         | 18,700     | 3.75%         | 6/1/2012      | 160,000          | 200,400       | 935,000           |
| 2013   | 18,700         | 9,500      | 4.00%         | 6/1/2013      | 460,000          | 488,200       | 475,000           |
| 2014   | 9,500          | 0          | 4.00%         | 6/1/2014      | 475,000          | 484,500       | 0                 |
| Totals | 315,463        | 298,810    |               |               | 3,090,000        | 3,704,273     |                   |

**City of Kirkland****1993 Public Works Trust Fund Loan****Purpose: Lake Street Sewer Line Replacement**

|                |           |                   |            |
|----------------|-----------|-------------------|------------|
| Amount of Loan | \$823,368 | Initial Loan Draw | 8/5/1993   |
| Ordinance      | 3371      | Net Interest Rate | 1.000%     |
|                |           | Org:              | 4120008941 |

**DEBT SERVICE SCHEDULE**

| Year   | Interest Amount | Interest Rate | Payment Date | Principal Amount | Total Payment | Principal Balance |
|--------|-----------------|---------------|--------------|------------------|---------------|-------------------|
| 1993   |                 |               |              |                  |               | 123,505 *         |
| 1994   | 3,637           | 1.00%         | 7/1/1994     | 0                | 3,637         | 823,368 *         |
| 1995   | 7,820           | 1.00%         | 7/1/1995     | 43,335           | 51,155        | 780,033           |
| 1996   | 7,800           | 1.00%         | 7/1/1996     | 43,335           | 51,135        | 736,698           |
| 1997   | 7,367           | 1.00%         | 7/1/1997     | 43,335           | 50,702        | 693,363           |
| 1998   | 6,934           | 1.00%         | 7/1/1998     | 43,335           | 50,269        | 650,027           |
| 1999   | 6,500           | 1.00%         | 7/1/1999     | 43,335           | 49,835        | 606,692           |
| 2000   | 6,067           | 1.00%         | 7/1/2000     | 43,335           | 49,402        | 563,357           |
| 2001   | 5,634           | 1.00%         | 7/1/2001     | 43,335           | 48,969        | 520,022           |
| 2002   | 5,200           | 1.00%         | 7/1/2002     | 43,335           | 48,535        | 476,687           |
| 2003   | 4,767           | 1.00%         | 7/1/2003     | 43,335           | 48,102        | 433,352           |
| 2004   | 4,334           | 1.00%         | 7/1/2004     | 43,335           | 47,669        | 390,016           |
| 2005   | 3,900           | 1.00%         | 7/1/2005     | 43,335           | 47,235        | 346,681           |
| 2006   | 3,467           | 1.00%         | 7/1/2006     | 43,335           | 46,802        | 303,346           |
| 2007   | 3,033           | 1.00%         | 7/1/2007     | 43,335           | 46,369        | 260,011           |
| 2008   | 2,600           | 1.00%         | 7/1/2008     | 43,335           | 45,935        | 216,676           |
| 2009   | 2,167           | 1.00%         | 7/1/2009     | 43,335           | 45,502        | 173,341           |
| 2010   | 1,733           | 1.00%         | 7/1/2010     | 43,335           | 45,069        | 130,005           |
| 2011   | 1,300           | 1.00%         | 7/1/2011     | 43,335           | 44,635        | 86,670            |
| 2012   | 867             | 1.00%         | 7/1/2012     | 43,335           | 44,202        | 43,335            |
| 2013   | 433             | 1.00%         | 7/1/2013     | 43,335           | 43,768        | 0                 |
| Totals | 85,559          |               |              | 823,368          | 908,927       |                   |

\*Principal received in three installments: \$123,205 on 8/5/93, \$617,526 on 2/2/94 and \$82,337 on 12/31/94

**City of Kirkland****1994A Public Works Trust Fund****Purpose: Lake Washington Boulevard Water Line Replacement**

|                |             |                   |            |
|----------------|-------------|-------------------|------------|
| Amount of Loan | \$1,231,700 | Initial Loan Draw | 7/26/1994  |
| Ordinance      | 3418        | Net Interest Rate | 1.000%     |
|                |             | Org:              | 4120008941 |

**DEBT SERVICE SCHEDULE**

| Year   | Interest Amount | Interest Rate | Payment Date | Principal Amount | Total Payment | Principal Balance |
|--------|-----------------|---------------|--------------|------------------|---------------|-------------------|
| 1994   |                 |               |              |                  |               | 207,900 *         |
| 1995   | 6,508           | 1.00%         | 7/1/1995     | 0                | 6,508         | 1,247,400 *       |
| 1996   | 12,463          | 1.00%         | 7/1/1996     | 65,270           | 77,733        | 1,166,430 *       |
| 1997   | 11,664          | 1.00%         | 7/1/1997     | 64,802           | 76,466        | 1,101,628         |
| 1998   | 11,016          | 1.00%         | 7/1/1998     | 64,802           | 75,818        | 1,036,827         |
| 1999   | 10,368          | 1.00%         | 7/1/1999     | 64,802           | 75,170        | 972,025           |
| 2000   | 9,720           | 1.00%         | 7/1/2000     | 64,802           | 74,522        | 907,223           |
| 2001   | 9,072           | 1.00%         | 7/1/2001     | 64,802           | 73,874        | 842,422           |
| 2002   | 8,424           | 1.00%         | 7/1/2002     | 64,802           | 73,226        | 777,620           |
| 2003   | 7,776           | 1.00%         | 7/1/2003     | 64,802           | 72,578        | 712,818           |
| 2004   | 7,128           | 1.00%         | 7/1/2004     | 64,802           | 71,930        | 648,017           |
| 2005   | 6,480           | 1.00%         | 7/1/2005     | 64,802           | 71,282        | 583,215           |
| 2006   | 5,832           | 1.00%         | 7/1/2006     | 64,802           | 70,634        | 518,413           |
| 2007   | 5,184           | 1.00%         | 7/1/2007     | 64,802           | 69,986        | 453,612           |
| 2008   | 4,536           | 1.00%         | 7/1/2008     | 64,802           | 69,338        | 388,810           |
| 2009   | 3,888           | 1.00%         | 7/1/2009     | 64,802           | 68,690        | 324,008           |
| 2010   | 3,240           | 1.00%         | 7/1/2010     | 64,802           | 68,042        | 259,206           |
| 2011   | 2,592           | 1.00%         | 7/1/2011     | 64,802           | 67,394        | 194,405           |
| 2012   | 1,944           | 1.00%         | 7/1/2012     | 64,802           | 66,746        | 129,603           |
| 2013   | 1,296           | 1.00%         | 7/1/2013     | 64,802           | 66,098        | 64,801            |
| 2014   | 648             | 1.00%         | 7/1/2014     | 64,802           | 65,450        | 0                 |
| Totals | 129,783         |               |              | 1,231,700        | 1,361,483     |                   |

\*Principal received: \$207,900 on 8/3/94, \$1,039,500 on 1/20/95 and \$15,700 refunded on 5/1/96

**City of Kirkland****1994B Public Works Trust Fund Loan****Purpose: Lake Washington Boulevard Sewer Line Replacement**

Amount of Loan    \$1,165,500  
 Ordinance                3419

Initial Loan Draw    7/26/1994  
 Net Interest Rate    1.000%  
 Org:                     4120008941

**DEBT SERVICE SCHEDULE**

| Year   | Interest Amount | Interest Rate | Payment Date | Principal Amount | Total Payment | Principal Balance |
|--------|-----------------|---------------|--------------|------------------|---------------|-------------------|
| 1994   |                 |               |              |                  |               | 174,825 *         |
| 1995   | 5,473           | 1.00%         | 7/1/1995     | 0                | 5,473         | 1,048,950 *       |
| 1996   | 10,490          | 1.00%         | 7/1/1996     | 55,208           | 65,697        | 993,742 *         |
| 1997   | 10,566          | 1.00%         | 7/1/1997     | 61,683           | 72,248        | 1,048,609         |
| 1998   | 10,486          | 1.00%         | 7/1/1998     | 61,683           | 72,169        | 986,926           |
| 1999   | 9,869           | 1.00%         | 7/1/1999     | 61,683           | 71,552        | 925,243           |
| 2000   | 9,252           | 1.00%         | 7/1/2000     | 61,683           | 70,935        | 863,560           |
| 2001   | 8,636           | 1.00%         | 7/1/2001     | 61,683           | 70,319        | 801,877           |
| 2002   | 8,019           | 1.00%         | 7/1/2002     | 61,683           | 69,702        | 740,195           |
| 2003   | 7,402           | 1.00%         | 7/1/2003     | 61,683           | 69,085        | 678,512           |
| 2004   | 6,785           | 1.00%         | 7/1/2004     | 61,683           | 68,468        | 616,829           |
| 2005   | 6,168           | 1.00%         | 7/1/2005     | 61,683           | 67,851        | 555,146           |
| 2006   | 5,551           | 1.00%         | 7/1/2006     | 61,683           | 67,234        | 493,463           |
| 2007   | 4,935           | 1.00%         | 7/1/2007     | 61,683           | 66,618        | 431,780           |
| 2008   | 4,318           | 1.00%         | 7/1/2008     | 61,683           | 66,001        | 370,097           |
| 2009   | 3,701           | 1.00%         | 7/1/2009     | 61,683           | 65,384        | 308,414           |
| 2010   | 3,084           | 1.00%         | 7/1/2010     | 61,683           | 64,767        | 246,731           |
| 2011   | 2,467           | 1.00%         | 7/1/2011     | 61,683           | 64,150        | 185,049           |
| 2012   | 1,850           | 1.00%         | 7/1/2012     | 61,683           | 63,533        | 123,366           |
| 2013   | 1,234           | 1.00%         | 7/1/2013     | 61,683           | 62,917        | 61,683            |
| 2014   | 617             | 1.00%         | 7/1/2014     | 61,683           | 62,300        | 0                 |
| Totals | 120,903         |               |              | 1,165,500        | 1,286,403     |                   |

\* Principal received: \$174,825 on 8/3/94, \$874,125 on 1/20/95 and \$116,550 on 12/16/96

**City of Kirkland****1995 Public Works Trust Fund Loan****Purpose: Lake Shore Plaza Lift Station**

Amount of Loan     \$794,850  
 Ordinance             3419

Initial Loan Draw    6/09/1995  
 Net Interest Rate    1.000%  
 Org:                     4120008941

**DEBT SERVICE SCHEDULE**

| Year   | Interest Amount | Interest Rate | Payment Date | Principal Amount | Total Payment | Principal Balance |
|--------|-----------------|---------------|--------------|------------------|---------------|-------------------|
| 1995   |                 |               |              |                  |               | 119,228 *         |
| 1996   | 1,268           | 1.00%         | 7/1/1996     | 0                | 1,268         | 360,766 *         |
| 1997   | 2,494           | 1.00%         | 7/1/1997     | 18,988           | 21,482        | 341,778           |
| 1998   | 3,418           | 1.00%         | 7/1/1998     | 18,988           | 22,405        | 322,791           |
| 1999   | 3,674           | 1.00%         | 7/1/1999     | 44,522           | 48,196        | 712,353 *         |
| 2000   | 7,124           | 1.00%         | 7/1/2000     | 44,522           | 51,646        | 667,831           |
| 2001   | 6,678           | 1.00%         | 7/1/2001     | 44,522           | 51,200        | 623,309           |
| 2002   | 6,233           | 1.00%         | 7/1/2002     | 44,522           | 50,755        | 578,787           |
| 2003   | 5,788           | 1.00%         | 7/1/2003     | 44,522           | 50,310        | 534,265           |
| 2004   | 5,343           | 1.00%         | 7/1/2004     | 44,522           | 49,865        | 489,743           |
| 2005   | 4,897           | 1.00%         | 7/1/2005     | 44,522           | 49,419        | 445,221           |
| 2006   | 4,452           | 1.00%         | 7/1/2006     | 44,522           | 48,974        | 400,699           |
| 2007   | 4,007           | 1.00%         | 7/1/2007     | 44,522           | 48,529        | 356,177           |
| 2008   | 3,562           | 1.00%         | 7/1/2008     | 44,522           | 48,084        | 311,655           |
| 2009   | 3,117           | 1.00%         | 7/1/2009     | 44,522           | 47,639        | 267,133           |
| 2010   | 2,671           | 1.00%         | 7/1/2010     | 44,522           | 47,193        | 222,611           |
| 2011   | 2,226           | 1.00%         | 7/1/2011     | 44,522           | 46,748        | 178,089           |
| 2012   | 1,781           | 1.00%         | 7/1/2012     | 44,522           | 46,303        | 133,566           |
| 2013   | 1,336           | 1.00%         | 7/1/2013     | 44,522           | 45,858        | 89,044            |
| 2014   | 890             | 1.00%         | 7/1/2014     | 44,522           | 45,412        | 44,522            |
| 2015   | 445             | 1.00%         | 7/1/2015     | 44,522           | 44,967        | 0                 |
| Totals | 71,404          |               |              | 794,850          | 866,254       |                   |

\* Principal received in three installments: \$119,228 on 6/7/95, \$241,538 on 12/9/96, and \$434,084 on 5/24/99.

**City of Kirkland****2000 Public Works Trust Fund Loan****Purpose: Juanita Lift Station Replacement Project-Design**

Amount of Loan     \$227,500  
 Resolution             4236

Initial Loan Draw 7/01/2000  
 Net Interest Rate     1.000%  
 Org:                         4120008941

**DEBT SERVICE SCHEDULE**

| Year   | Interest Amount | Interest Rate | Payment Date | Principal Amount | Total Payment | Principal Balance |
|--------|-----------------|---------------|--------------|------------------|---------------|-------------------|
| 2000   |                 |               |              |                  |               | 170,625           |
| 2001   | 1,616           | 1.00%         | 7/1/2001     | 8,980            | 10,596        | 161,645           |
| 2002   | 1,616           | 1.00%         | 7/1/2002     | 8,980            | 10,597        | 152,664           |
| 2003   | 1,527           | 1.00%         | 7/1/2003     | 8,980            | 10,507        | 200,560 *         |
| 2004   | 1,979           | 1.00%         | 7/1/2004     | 12,535           | 14,514        | 188,025           |
| 2005   | 1,880           | 1.00%         | 7/1/2005     | 12,535           | 14,415        | 175,490           |
| 2006   | 1,755           | 1.00%         | 7/1/2006     | 12,535           | 14,290        | 162,955           |
| 2007   | 1,629           | 1.00%         | 7/1/2007     | 12,535           | 14,164        | 150,420           |
| 2008   | 1,504           | 1.00%         | 7/1/2008     | 12,535           | 14,039        | 137,885           |
| 2009   | 1,379           | 1.00%         | 7/1/2009     | 12,535           | 13,914        | 125,350           |
| 2010   | 1,254           | 1.00%         | 7/1/2010     | 12,535           | 13,789        | 112,815           |
| 2011   | 1,128           | 1.00%         | 7/1/2011     | 12,535           | 13,663        | 100,280           |
| 2012   | 1,003           | 1.00%         | 7/1/2012     | 12,535           | 13,538        | 87,745            |
| 2013   | 877             | 1.00%         | 7/1/2013     | 12,535           | 13,412        | 75,210            |
| 2014   | 752             | 1.00%         | 7/1/2014     | 12,535           | 13,287        | 62,675            |
| 2015   | 627             | 1.00%         | 7/1/2015     | 12,535           | 13,162        | 50,140            |
| 2016   | 501             | 1.00%         | 7/1/2016     | 12,535           | 13,036        | 37,605            |
| 2017   | 376             | 1.00%         | 7/1/2017     | 12,535           | 12,911        | 25,070            |
| 2018   | 251             | 1.00%         | 7/1/2018     | 12,535           | 12,786        | 12,535            |
| 2019   | 125             | 1.00%         | 7/1/2019     | 12,535           | 12,660        | 0                 |
| Totals | 21,780          |               |              | 227,500          | 249,280       |                   |

\*Additional principal \$56,875 received 3/15/03

**City of Kirkland****2001 Public Works Trust Fund Loan****Purpose: Juanita Lift Station Replacement Project-Construction**

Amount of Loan \$1,848,000  
 Resolution 4236

Initial Loan Draw 9/15/03  
 Net Interest Rate 0.500%  
 Org: 4120008941

**DEBT SERVICE SCHEDULE**

| Year   | Interest Amount | Interest Rate | Payment Date | Principal Amount | Total Payment | Principal Balance |
|--------|-----------------|---------------|--------------|------------------|---------------|-------------------|
| 2003   |                 |               |              |                  |               | 1,755,600 *       |
| 2004   | 7,949           | 0.50%         | 7/1/2004     | 97,533           | 105,482       | 1,750,467 *       |
| 2005   | 8,588           | 0.50%         | 7/1/2005     | 102,969          | 111,557       | 1,647,498         |
| 2006   | 8,237           | 0.50%         | 7/1/2006     | 102,969          | 111,206       | 1,544,529         |
| 2007   | 7,723           | 0.50%         | 7/1/2007     | 102,968          | 110,691       | 1,441,561         |
| 2008   | 7,208           | 0.50%         | 7/1/2008     | 102,969          | 110,177       | 1,338,592         |
| 2009   | 6,693           | 0.50%         | 7/1/2009     | 102,968          | 109,661       | 1,235,624         |
| 2010   | 6,178           | 0.50%         | 7/1/2010     | 102,969          | 109,147       | 1,132,655         |
| 2011   | 5,663           | 0.50%         | 7/1/2011     | 102,969          | 108,632       | 1,029,686         |
| 2012   | 5,148           | 0.50%         | 7/1/2012     | 102,968          | 108,116       | 926,718           |
| 2013   | 4,634           | 0.50%         | 7/1/2013     | 102,969          | 107,603       | 823,749           |
| 2014   | 4,119           | 0.50%         | 7/1/2014     | 102,969          | 107,088       | 720,780           |
| 2015   | 3,604           | 0.50%         | 7/1/2015     | 102,968          | 106,572       | 617,812           |
| 2016   | 3,089           | 0.50%         | 7/1/2016     | 102,969          | 106,058       | 514,843           |
| 2017   | 2,574           | 0.50%         | 7/1/2017     | 102,968          | 105,542       | 411,875           |
| 2018   | 2,059           | 0.50%         | 7/1/2018     | 102,969          | 105,028       | 308,906           |
| 2019   | 1,545           | 0.50%         | 7/1/2019     | 102,969          | 104,514       | 205,937           |
| 2020   | 1,030           | 0.50%         | 7/1/2020     | 102,968          | 103,998       | 102,969           |
| 2021   | 515             | 0.50%         | 7/1/2021     | 102,969          | 103,484       | 0                 |
| Totals | 86,556          |               |              | 1,848,000        | 1,934,556     |                   |

\* Initial draws totalling \$1,755,600 in 2003, balance drawn in 2004

**City of Kirkland****2004 Public Works Trust Fund Loan****Purpose: Central Way Sewer Replacement**

Amount of Loan \$1,086,300  
 Resolution 4451

Initial Loan Draw 9/01/04  
 Net Interest Rate 0.500%  
 Org: 4120008941

**DEBT SERVICE SCHEDULE**

| Year   | Interest Amount | Interest Rate | Payment Date | Principal Amount | Total Payment | Principal Balance |
|--------|-----------------|---------------|--------------|------------------|---------------|-------------------|
| 2004   |                 |               |              |                  |               | 217,260 *         |
| 2005   | 757             | 0.50%         | 7/1/2005     | 0                | 757           | 1,031,985 *       |
| 2006   | 7,846           | 0.50%         | 7/1/2006     | 57,333           | 62,221        | 977,670           |
| 2007   | 4,888           | 0.50%         | 7/1/2007     | 57,333           | 62,221        | 974,653           |
| 2008   | 4,873           | 0.50%         | 7/1/2008     | 57,333           | 62,206        | 917,320           |
| 2009   | 4,587           | 0.50%         | 7/1/2009     | 57,333           | 61,919        | 859,988           |
| 2010   | 4,300           | 0.50%         | 7/1/2010     | 57,333           | 61,632        | 802,655           |
| 2011   | 4,013           | 0.50%         | 7/1/2011     | 57,333           | 61,346        | 745,323           |
| 2012   | 3,727           | 0.50%         | 7/1/2012     | 57,333           | 61,059        | 687,990           |
| 2013   | 3,440           | 0.50%         | 7/1/2013     | 57,333           | 60,772        | 630,658           |
| 2014   | 3,153           | 0.50%         | 7/1/2014     | 57,333           | 60,486        | 573,325           |
| 2015   | 2,867           | 0.50%         | 7/1/2015     | 57,333           | 60,199        | 515,993           |
| 2016   | 2,580           | 0.50%         | 7/1/2016     | 57,333           | 59,912        | 458,660           |
| 2017   | 2,293           | 0.50%         | 7/1/2017     | 57,333           | 59,626        | 401,328           |
| 2018   | 2,007           | 0.50%         | 7/1/2018     | 57,333           | 59,339        | 343,995           |
| 2019   | 1,720           | 0.50%         | 7/1/2019     | 57,333           | 59,052        | 286,663           |
| 2020   | 1,433           | 0.50%         | 7/1/2020     | 57,333           | 58,766        | 229,330           |
| 2021   | 1,147           | 0.50%         | 7/1/2021     | 57,333           | 58,479        | 171,998           |
| 2022   | 860             | 0.50%         | 7/1/2022     | 57,333           | 58,192        | 114,665           |
| 2023   | 573             | 0.50%         | 7/1/2023     | 57,333           | 57,906        | 57,333            |
| 2024   | 287             | 0.50%         | 7/1/2024     | 57,333           | 57,619        | 0                 |
| Totals | 57,351          |               |              | 1,089,317        | 1,143,711     |                   |

\* Initial draw \$217,260 in 2004, balance expected to be drawn throughout 2005



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**CITY OF KIRKLAND**

***WATER/SEWER UTILITY CAPITAL  
PROJECTS FUND***

Capital Projects Funds are used to fund and track the construction of projects approved in the Capital Improvement Program. The City Council adopts a six-year Capital Improvement Program (CIP) which is a plan for major improvements or purchases needed in the areas of transportation (streets, sidewalks, signals, and intersections), storm drains, water and sewer systems, parks, public safety, and other government facilities and equipment. The Council revises the CIP biennially. The Water/Sewer portion of the CIP includes only those projects associated with the water/sewer utility.

The **Water/Sewer Capital Projects Fund** accounts for water and sewer projects that are ultimately funded by a portion of the water and sewer rates paid by utility customers. Included in the fund are the Water/Sewer CIP Contingency and the Water/Sewer Construction Reserve. The former has a target of ten percent of the funded six-year Utility CIP and provides a cushion in the event of unanticipated changes in project scope or cost. The latter is comprised of connection charges paid by new customers **connecting to the City's water and sewer systems.**

**CITY OF KIRKLAND  
CAPITAL IMPROVEMENT PROGRAM  
2013-2014 BUDGET**

**WATER/SEWER CAPITAL PROJECTS FUND (413)**

| <b>Project Category/<br/>Project Title</b>        | <b>Project<br/>Number</b> | <b>Funding<br/>Source</b>                |
|---|---------------------------|--|
| <b>UTILITIES</b>                                  |                           |  |
| <b>Water</b>                                      |                           |  |
| Emergency Sewer Program Watermain Replacement Pgm | WA 0090                   | Connection Fees                          |
| 132nd Ave NE/NE 80th St. Watermain Replacement    | WA 0116                   | Water & Sewer Rates/Debt/Connection Fees |
| NE 109th Ave/106th Ct. NE Watermain Replacement   | WA 0121                   | Water & Sewer Rates                      |
| NE 85th Street Watermain Replacement              | WA 0140                   | Water & Sewer Rates/Connection Fees      |
| Park Lane Watermain Replacement                   | WA 0148                   | Water & Sewer Rates                      |
| <b>Total Water</b>                                |                           |  |
| <b>Sewer</b>                                      |                           |  |
| Emergency Sewer Construction Program              | SS 0056                   | Water & Sewer Reserves                   |
| NE 80th St. Sewermain Replacement (Phase II)      | SS 0067                   | Water & Sewer Rates/Debt                 |
| Rose Point Sewer Lift Station                     | SS 0073                   | Water & Sewer Rates                      |
| 5th Avenue S Sewermain Replacement                | SS 0078                   | Water & Sewer Rates                      |
| 7th/8th Avenue West Alley Sewermain Replacement   | SS 0081                   | Water & Sewer Rates                      |
| <b>Total Sewer</b>                                |                           |  |
| <b>TOTAL WATER/SEWER CAPITAL PROJECTS FUND</b>    |                           |  |

| 2013<br>Budget          | 2014<br>Budget          | Estimated Total<br>Project Cost | Additional Annual<br>Maintenance & Operations |                 |
|-------------------------|-------------------------|---------------------------------|---|-----------------|
|                         |                         |                                 | 2013  | 2014            |
| 50,000                  | 0                       | 150,000                         | 0   | 0               |
| 442,000                 | 2,394,400               | 2,836,400                       | 0   | 0               |
| 156,300                 | 0                       | 156,300                         | 0   | 0               |
| 2,413,000               | 0                       | 2,413,000                       | 0   | 0               |
| 62,000                  | 235,000                 | 297,000                         | 0   | 0               |
| <b><u>3,123,300</u></b> | <b><u>2,629,400</u></b> | <b><u>5,852,700</u></b>         | <b><u>0</u></b>                               | <b><u>0</u></b> |
| 922,000                 | 478,000                 | 4,200,000                       | 0   | 0               |
| 600,000                 | 1,836,000               | 2,436,000                       | 0   | 0               |
| 0                       | 944,400                 | 2,287,400                       | 0   | 0               |
| 0                       | 188,900                 | 226,900                         | 0   | 0               |
| 354,000                 | 0                       | 354,000                         | 0   | 0               |
| <b><u>1,876,000</u></b> | <b><u>3,447,300</u></b> | <b><u>9,504,300</u></b>         | <b><u>0</u></b>                               | <b><u>0</u></b> |
| <b>4,999,300</b>        | <b>6,076,700</b>        | <b>15,357,000</b>               | <b>0</b>                                      | <b>0</b>        |

**City of Kirkland  
2013-2018 Capital Improvement Program**

**WATER/SEWER UTILITY PROJECTS**

**Funded Projects:**

| Project Number                                   | Project Title  | Prior Year(s) | 2013           | 2014             | 2015             | 2016             | 2017             | 2018             | 2013-18 Total    | Funding Source    |                   |                  |                  |          |
|--|--|---------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|----------|
|  |  |               |                |                  |                  |                  |                  |                  |                  | Current Revenue   | Reserve           | Debt             | External Source  |          |
| WA 0090  | Emergency Sewer Pgm Watermain Replacement Pgm                |               | 50,000         |                  | 50,000           |                  |                  | 50,000           | 150,000          | 150,000           |                   |                  |                  |          |
| WA 0102*   | 104th Ave NE Watermain Replacement                           |               |                |                  |                  |                  | 974,500          |                  | 974,500          | 974,500           |                   |                  |                  |          |
| WA 0116  | NE 80th Street Watermain Replacement (Phase II)              |               | 442,000        | 2,394,400        |                  |                  |                  |                  | 2,836,400        | 869,000           |                   | 1,967,400        |                  |          |
| WA 0121  | NE 109th Ave/106th Court NE Watermain Replacement            | 215,000       | 156,300        |                  |                  |                  |                  |                  | 156,300          | 156,300           |                   |                  |                  |          |
| <b>WA 0134+</b>                                  | <b>5th Ave S / 8th St S Watermain Replacement</b>            |               |                |                  |                  |                  |                  | 850,000          | <b>850,000</b>   | <b>850,000</b>    |                   |                  |                  |          |
| <b>WA 0139+</b>                                  | <b>6th Street S Watermain Replacement</b>                    |               |                |                  | <b>671,000</b>   |                  |                  |                  | <b>671,000</b>   | <b>671,000</b>    |                   |                  |                  |          |
| WA 0140*+  | NE 85th Street Watermain Replacement                         | 626,000       | 2,413,000      |                  |                  |                  |                  |                  | 2,413,000        | 2,413,000         |                   |                  |                  |          |
| <b>WA 0145</b>                                   | <b>Kirkland Avenue/6th Street S Watermain Replacement</b>    |               |                |                  |                  | <b>755,000</b>   |                  |                  | <b>755,000</b>   | <b>755,000</b>    |                   |                  |                  |          |
| <b>WA 0148</b>                                   | <b>Park Lane Watermain Replacement</b>                       |               | <b>62,000</b>  | <b>235,000</b>   |                  |                  |                  |                  | <b>297,000</b>   | <b>297,000</b>    |                   |                  |                  |          |
| WA 8888*   | Annual Watermain Replacement Program                         |               |                |                  |                  |                  | 385,000          | 385,000          | 770,000          | 770,000           |                   |                  |                  |          |
| WA 9999*   | Annual Water Pump Station/System Upgrade Pgm                 |               |                |                  | 222,000          |                  | 385,000          | 385,000          | 992,000          | 992,000           |                   |                  |                  |          |
| SS 0056  | Emergency Sewer Construction Program                         |               | 922,000        | 478,000          | 969,000          | 431,000          | 950,000          | 450,000          | 4,200,000        |                   | 4,200,000         |                  |                  |          |
| SS 0064*+  | 7th Avenue South Sewermain Replacement                       |               |                |                  |                  | 593,000          | 1,053,000        |                  | 1,646,000        | 1,646,000         |                   |                  |                  |          |
| SS 0067*   | NE 80th Street Sewermain Replacement (Phase II)              |               | 600,000        | 1,836,000        |                  |                  |                  |                  | 2,436,000        | 365,400           |                   | 2,070,600        |                  |          |
| SS 0073*+  | Rose Point Sewer Lift Station Replacement                    |               |                | 944,400          | 1,343,000        |                  |                  |                  | 2,287,400        | 2,287,400         |                   |                  |                  |          |
| <b>SS 0078</b>                                   | <b>5th Avenue S Sewermain Replacement</b>                    |               |                | <b>188,900</b>   | <b>38,000</b>    |                  |                  |                  | <b>226,900</b>   | <b>226,900</b>    |                   |                  |                  |          |
| <b>SS 0079</b>                                   | <b>3rd Avenue S &amp; 2nd Street S Sewermain Replacement</b> |               |                |                  | <b>487,000</b>   | <b>740,000</b>   |                  |                  | <b>1,227,000</b> | <b>1,227,000</b>  |                   |                  |                  |          |
| <b>SS 0080</b>                                   | <b>20th Avenue Sewermain Replacement</b>                     |               |                |                  |                  |                  |                  | 812,000          | <b>812,000</b>   | <b>812,000</b>    |                   |                  |                  |          |
| <b>SS 0081</b>                                   | <b>7th / 8th Avenue West Alley Sewermain Replacement</b>     |               | <b>354,000</b> |                  |                  |                  |                  |                  | <b>354,000</b>   | <b>354,000</b>    |                   |                  |                  |          |
| SS 8888*   | Annual Sanitary Pipeline Replacement Program                 |               |                |                  | 446,500          | 377,000          | 213,000          | 441,000          | 1,477,500        | 1,477,500         |                   |                  |                  |          |
| SS 9999*   | Annual Sanitary Pump Station/System Upgrade Pgm              |               |                |                  | 446,500          | 377,000          | 212,500          | 400,000          | 1,436,000        | 1,436,000         |                   |                  |                  |          |
| <b>Total Funded Water/Sewer Utility Projects</b> |  |               | <b>841,000</b> | <b>4,999,300</b> | <b>6,076,700</b> | <b>4,673,000</b> | <b>3,273,000</b> | <b>4,223,000</b> | <b>3,723,000</b> | <b>26,968,000</b> | <b>18,730,000</b> | <b>4,200,000</b> | <b>4,038,000</b> | <b>0</b> |

**City of Kirkland  
2013-2018 Capital Improvement Program**

**WATER/SEWER UTILITY PROJECTS**

**Unfunded Projects:**

| Project Number   | Project Title   | Total             |
|--|---|-------------------|
| WA 0052  | 108th Avenue NE Watermain Replacement                                   | 1,584,000         |
| WA 0057  | 116th Avenue NE Watermain Replacement                                   | 2,731,000         |
| WA 0067#   | North Reservoir Pump Replacement  | 611,000           |
| WA 0096  | NE 83rd Street Watermain Replacement                                    | 450,000           |
| WA 0097  | NE 80th Street Watermain Replacement (Phase III)                        | 1,386,000         |
| WA 0098  | 126th Ave NE/NE 83rd & 84th St/128th Ave NE Watermain Replacement       | 1,197,000         |
| WA 0103^   | NE 113th Place/106th Ave NE Watermain Replacement                       | 841,000           |
| WA 0104  | 111th Ave NE/NE 62nd St-NE 64th St Watermain Replacement                | 1,493,000         |
| WA 0108  | 109th Ave NE/NE 58th St Watermain Replacement                           | 504,000           |
| WA 0109  | 112th Ave NE Watermain Replacement                                      | 1,179,000         |
| WA 0111  | NE 45th St And 110th/111th Ave NE Watermain Replacement                 | 1,303,000         |
| WA 0113  | 116th Ave NE/NE 70th-NE 80th St Watermain Replacement                   | 2,222,100         |
| WA 0118^   | 112th -114th Avenue NE/NE 67th-68th Street Watermain Replacement        | 3,360,100         |
| WA 0119  | 109th Ave NE/111th Way NE Watermain Replacement                         | 2,304,000         |
| WA 0120^   | 111th Avenue Watermain Replacement                                      | 182,000           |
| WA 0122  | 116th Avenue NE/NE 100th Street Watermain Replacement                   | 1,506,000         |
| WA 0123  | NE 91st Street Watermain Replacement                                    | 453,000           |
| WA 0124^   | NE 97th Street Watermain Replacement                                    | 685,000           |
| WA 0126#   | North Reservoir Outlet Meter Addition                                   | 72,300            |
| WA 0127#   | 650 Booster Pump Station  | 1,603,000         |
| WA 0128  | 106th Ave NE-110th Ave NE/NE 116th St-NE 120th St Watermain Replacement | 2,305,000         |
| WA 0129  | South Reservoir Recoating   | 981,000           |
| WA 0130^   | 111th Place Watermain Replacement                                       | 339,000           |
| WA 0131#   | Supply Station #1 Improvements  | 61,500            |
| WA 0132  | 7th Avenue/Central Avenue Watermain Replacement                         | 907,000           |
| WA 0133  | Kirkland Avenue Watermain Replacement                                   | 446,000           |
| WA 0135  | NE 75th Street Watermain Replacement                                    | 711,000           |
| WA 0136^   | NE 74th Street Watermain Replacement                                    | 193,000           |
| WA 0137^   | NE 73rd Street Watermain Replacement                                    | 660,000           |
| WA 0138  | NE 72nd St/130th Ave NE Watermain Replacement                           | 1,476,000         |
| <b>WA 0146^</b>  | <b>6th Street/Kirkland Way Watermain Replacement</b>                    | <b>693,000</b>    |
| <b>WA 0147^</b>  | <b>106th Avenue NE from NE 60th Street to NE 68th Street</b>            | <b>661,500</b>    |
| SS 0051  | 6th Street South Sewermain Replacement                                  | 804,000           |
| SS 0052  | 108th Avenue NE Sewermain Replacement                                   | 5,110,000         |
| SS 0062^   | NE 108th Street Sewermain Replacement/Rehabilitation                    | 4,405,000         |
| SS 0068  | 124th Avenue NE Sewermain Replacement                                   | 1,315,000         |
| SS 0069  | 1st Street Sewermain Replacement  | 3,945,000         |
| SS 0070  | 5th Street Sewermain Replacement  | 1,354,000         |
| SS 0071  | 6th Street Sewermain Replacement  | 308,000           |
| SS 0072  | Kirkland Avenue Sewermain Replacement                                   | 1,980,000         |
| SS 0077  | West Of Market Sewermain Replacement                                    | 21,681,000        |
| <b>Subtotal Unfunded Water/Sewer Utility Projects</b>                |   | <b>76,002,500</b> |
| <b>Funding Available from Annual Programs for Candidate Projects</b> |   | <b>4,675,500</b>  |
| <b>Net Unfunded Water/Sewer Utility Projects</b>                     |   | <b>71,327,000</b> |

**Prior Year(s) Funding (Budget to Actuals):**

| Project Number  | Project Title                                     | Budget         | Actual   | Balance        |
|---|---|----------------|----------|----------------|
| WA 0121   | NE 109th Ave/106th Court NE Watermain Replacement | 215,000        | 0        | 215,000        |
| <b>Total Prior Year(s) Funding (Budget to Actuals):</b> |   | <b>215,000</b> | <b>0</b> | <b>215,000</b> |

Notes

\* = Modification in timing and/or cost (see Project Modification Schedule for greater detail)

+ = Moved from unfunded status to funded status

" = Moved from funded status to unfunded status

^ = Annual Watermain or Sanitary Pipeline Replacement Program Project Candidates

# = Annual Pump Station/System Upgrade Program Project Candidates

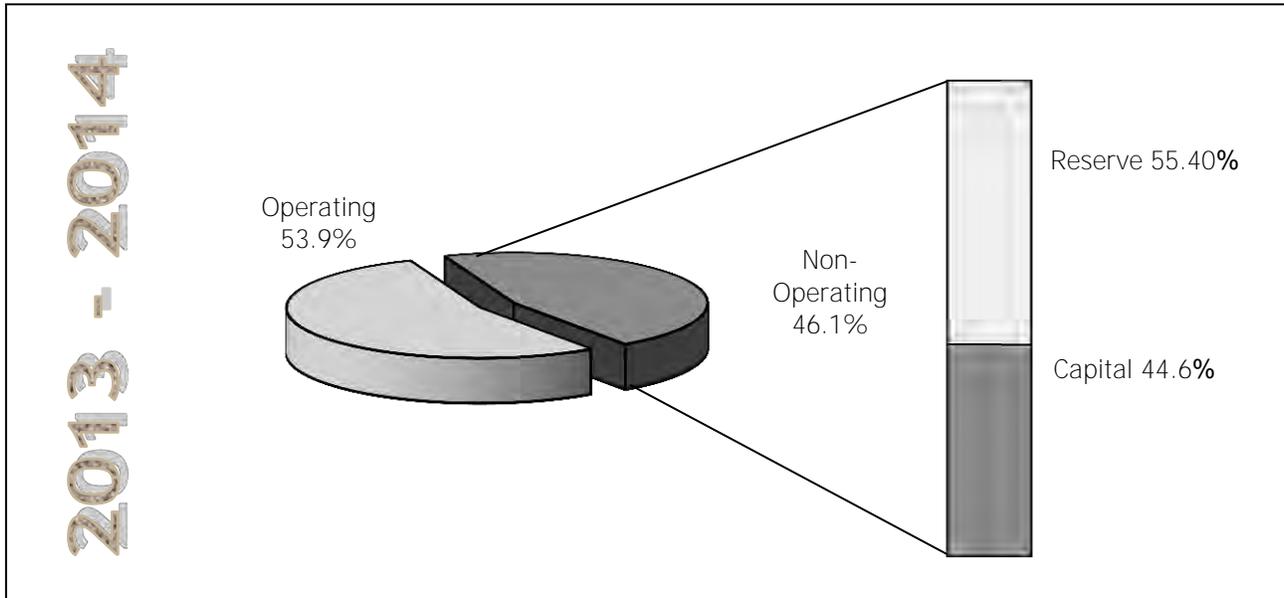
Shaded year(s) = Previous timing

***Bold italics = New projects***



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# CITY OF KIRKLAND SURFACE WATER UTILITY 2013-2014 BUDGET SUMMARY: BY FUND TYPE/FUND



The Surface Water Utility operating budget accounts for the operation and maintenance of the City's surface water system. The non-operating budget accounts for capital projects and reserves.

## Analysis of Change

| Fund                                     | 2011-12 Budget    | 2013-14 Budget    | Percent Change |
|--|-------------------|-------------------|----------------|
| <b>Operating Fund</b>                    |                   |                   |                |
| 421 Surface Water Management             | 18,440,239        | 21,444,357        | 16.29%         |
| <b>Total Operating Fund</b>              | <b>18,440,239</b> | <b>21,444,357</b> | <b>16.29%</b>  |
| <b>Non-Operating Fund</b>                |                   |                   |                |
| 423 Surface Water Capital Projects       | 14,750,925        | 18,315,303        | 24.16%         |
| <b>Total Non-Operating Fund</b>          | <b>14,750,925</b> | <b>18,315,303</b> | <b>24.16%</b>  |
| <b>Total Surface Water Utility Funds</b> | <b>33,191,164</b> | <b>39,759,660</b> | <b>19.79%</b>  |

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2011 to Ending 2014)**  
**SURFACE WATER UTILITY FUNDS**

|  | <b>Surface Water Management<sup>1</sup></b> | <b>Surface Water Capital Projects<sup>2</sup></b> | <b>Total</b>       |
|--|---|---|--------------------|
| <b>2011 Actual Beginning Fund Balance</b>                        | <b>3,203,072</b>                            | <b>9,280,925</b>                                  | <b>12,483,997</b>  |
| <i>Reserved</i>  | <i>863,371</i>                              | <i>7,765,714</i>                                  | <i>8,629,085</i>   |
| <i>Unreserved Working Capital</i>                                | <i>2,339,701</i>                            | <i>1,515,211</i>                                  | <i>3,854,912</i>   |
| Plus: 2011-12 Estimated Revenues                                 | 15,387,703                                  | 7,663,075   | <b>23,050,778</b>  |
| Less: 2011-12 Estimated Expenditures                             | 14,882,625                                  | 4,131,245   | <b>19,013,870</b>  |
| <b>2011-12 Estimated Ending Fund Balance</b>                     | <b>3,708,150</b>                            | <b>12,812,755</b>                                 | <b>16,520,905</b>  |
| Less: Funding for Carryovers to 2013                             | 538,531                                     | -   | <b>538,531</b>     |
| <b>2013 Budgeted Beginning Fund Balance</b>                      | <b>3,169,619</b>                            | <b>12,812,755</b>                                 | <b>15,982,374</b>  |
| Plus: 2013-14 Budgeted Revenues                                  | 18,274,738                                  | 5,502,548   | <b>23,777,286</b>  |
| Less: 2013-14 Budgeted Expenditures                              | 17,059,622                                  | 13,018,766  | <b>30,078,388</b>  |
| <b>2014 Budgeted Ending Fund Balance</b>                         | <b>4,384,735</b>                            | <b>5,296,537</b>                                  | <b>9,681,272</b>   |
| <i>Reserved</i>  | <i>1,798,640</i>                            | <i>3,092,811</i>                                  | <i>4,891,451</i>   |
| <i>Unreserved Working Capital</i>                                | <i>2,586,095</i>                            | <i>2,203,726</i>                                  | <i>4,789,821</i>   |
| <b>Change in Fund Balance:<br/>Beginning 2011 to Ending 2014</b> | <b>1,181,663</b>                            | <b>(3,984,388)</b>                                | <b>(2,802,725)</b> |

**Notes:**

<sup>1</sup>The increase in the Management Fund is due to variations in one-time projects and carryovers.

<sup>2</sup> The decrease in the Capital Projects Fund is due to the increased level of activity for planned capital projects.

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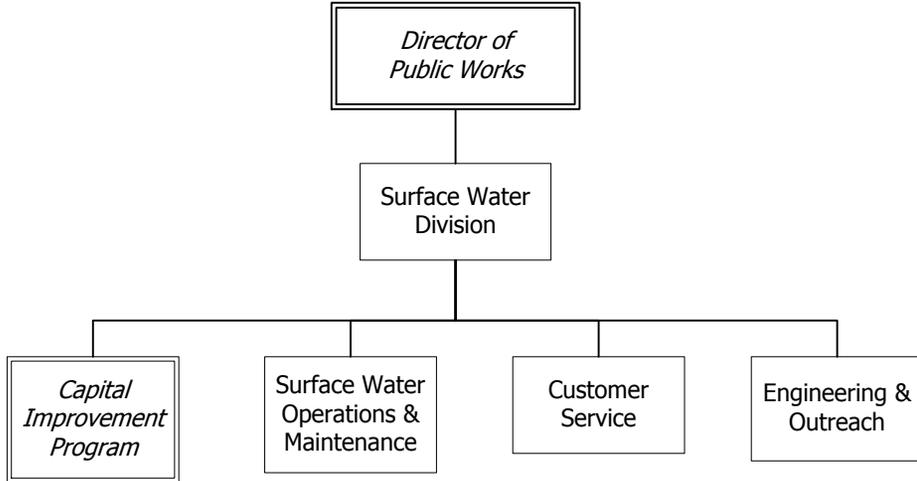
**OPERATING**



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**CITY OF KIRKLAND**  
**Public Works Department**

Surface Water Management Fund



*Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.*

## DEPARTMENT OVERVIEW

# ***SURFACE WATER MANAGEMENT FUND***

## MISSION

The Surface Water Management Fund is established to account for the resources associated with the **maintenance, operation, and minor construction components of the City's surface water system**; this system includes constructed elements such as pipes and catch basins, and natural resources such as streams and lakes.

## DEPARTMENT FUNCTIONS

The Surface Water Operations and Maintenance Division of Public Works operates, maintains, and repairs storm drain infrastructure including pipes, manholes, catch basins, ditches, and detention ponds. The storm drain system serves all residential, multifamily, and commercial customers.

The Surface Water Engineering Group in the Development and Environmental Services Division conducts review of development proposals, ensures City compliance with state and federal surface water regulations, monitors the quality of water and aquatic habitat, investigates water quality and drainage complaints, conducts education and outreach programs, inspects private detention systems, and conducts watershed planning.

Capital projects, such as installation or replacement of pipes and manholes or restoration of stream channels, are managed within the Capital Projects Division of Public Works and funded by the Surface Water Utility.

## RELATIONSHIP TO COUNCIL GOALS

### **Financial Stability**

- Implement and maintain a rate structure that ensures financial stability of the Surface Water Utility and maintenance of reserves.

### **Environment**

- Protect the environment by reducing flooding, improving water quality, and restoring aquatic habitat.
- Educate the community through outreach programs to protect and preserve natural resources for future generations.
- Continue Rain Garden Program to educate citizens about storm water issues, and involve them in storm water management to reduce runoff.

### **Dependable Infrastructure**

- Maintain and control a network of pipes and surface water facilities that reduces flooding, controls water quality and protects aquatic habitat.

## BUDGET HIGHLIGHTS

### **2013-2014 Reductions and Efficiencies**

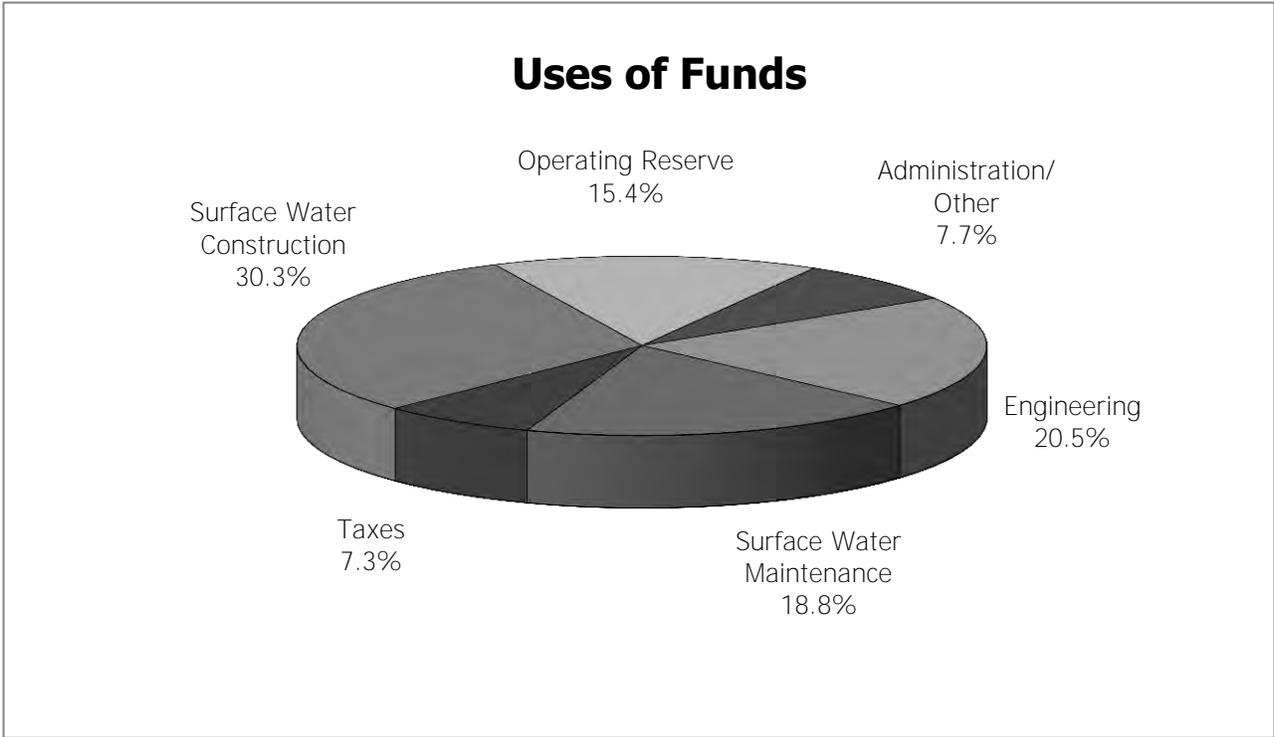
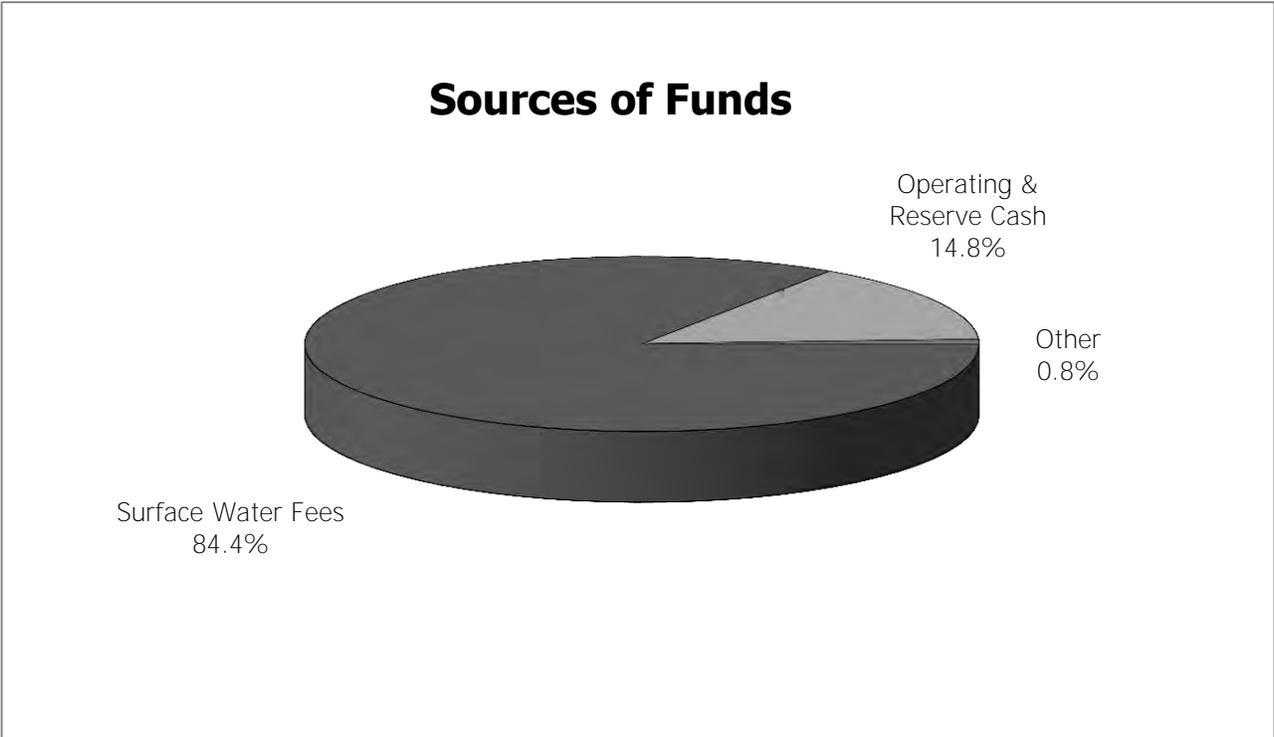
- Delay hiring of 1.0 FTE Surface Water Utility Engineer.
- Create efficiencies in maintenance of Open Spaces, LID installations and pond and swale systems through collaboration between Surface Water and the grounds divisions.
- Delay hiring of .50 FTE Utility Craftsperson.
- Reduce hourly wages and benefits in Surface Water Engineering - \$36,752.
- Eliminate 0.5 FTE Utility Craftsperson.

- Hire seasonal staff to maintain vegetation controls on rain gardens, ponds, swales and some ditches.

### **2013-2014 Additions**

- Increase for street cut/utility patch fees - \$60,000.
- Add of Temporary Office Specialist to input data associated with maintenance management (funded by elimination of Utility Locator position) - \$88,538.
- Increase state taxes based on recent interpretation of generally accepted accounting principles **for recording of the City's utility tax**. The City tax revenue now shows as a revenue of the utility, offset by a transfer to the General Fund - \$1,264,133. **A corresponding reduction in the City's utility tax rate will result in no net increase to customers.**
- Establish annual rain garden program to educate and involve citizens in storm water management and to reduce run-off - \$60,000.
- Reserves assume that the interfund loan to fund the purchase of the Cross Kirkland Corridor will be repaid by the end of the biennium. Note that the repayment may occur as early as December 2012.
- Adding equipment, a mower, a truck and trailer to address increase in surface water infrastructure as a result of annexation - \$79,966.

# 2013-2014 BUDGET SURFACE WATER MANAGEMENT FUND



**2013-2014 FINANCIAL OVERVIEW**

***SURFACE WATER MANAGEMENT FUND***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 2,164,902                   | 2,888,375                     | 3,347,583                   | 3,675,256                   | 9.79%                     |
| Benefits            | 757,333                     | 1,229,179                     | 1,606,398                   | 1,858,477                   | 15.69%                    |
| Supplies            | 263,243                     | 489,686                       | 705,581                     | 558,325                     | -20.87%                   |
| Other Services      | 2,878,517                   | 3,554,742                     | 3,617,217                   | 3,650,927                   | 0.93%                     |
| Government Services | 3,633,087                   | 6,619,398                     | 6,653,250                   | 7,046,745                   | 5.91%                     |
| Capital Outlay      | 50,595                      | 63,245                        | 145,176                     | 69,927                      | -51.83%                   |
| Reserves            | -                           | 38,000                        | 2,365,034                   | 4,584,700                   | 93.85%                    |
| <b>TOTAL</b>        | <b>9,747,677</b>            | <b>14,882,625</b>             | <b>18,440,239</b>           | <b>21,444,357</b>           | <b>16.29%</b>             |

**FINANCIAL SUMMARY BY DIVISION**

|                       | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|-----------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Customer Service      | 1,379,667                   | 1,997,112                     | 2,731,650                   | 2,590,303                   | -5.17%                    |
| Administration        | 3,013,890                   | 3,934,573                     | 5,410,065                   | 9,250,548                   | 70.99%                    |
| Capital Construction  | 3,385,474                   | 5,427,312                     | 6,433,699                   | 6,471,534                   | 0.59%                     |
| Operations and Maint. | 1,968,646                   | 3,523,628                     | 3,864,825                   | 3,131,972                   | -18.96%                   |
| <b>TOTAL</b>          | <b>9,747,677</b>            | <b>14,882,625</b>             | <b>18,440,239</b>           | <b>21,444,357</b>           | <b>16.29%</b>             |

**POSITION SUMMARY BY DIVISION**

|                       | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|-----------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Customer Service      | 5.20                        | 2.55               | 7.75                        | 0.00               | 7.75                        |
| Administration        | 2.14                        | -0.70              | 1.44                        | 0.00               | 1.44                        |
| Capital Construction  | 0.00                        | 0.00               | 0.00                        | 0.00               | 0.00                        |
| Operations and Maint. | 11.15                       | 7.25               | 18.40                       | 0.00               | 18.40                       |
| <b>TOTAL</b>          | <b>18.49</b>                | <b>9.10</b>        | <b>27.59</b>                | <b>0.00</b>        | <b>27.59</b>                |

**2013 - 2014 POSITION SUMMARY**

***SURFACE WATER MANAGEMENT FUND***

**POSITION SUMMARY BY CLASSIFICATION**

| <b>Classification</b>              | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|------------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Development Engineering Manager    | 0.25                           |                              |                             | 0.25                           | 7,787 - 10,047                        |
| Internal Services Manager          | 0.05                           |                              |                             | 0.05                           | 6,645 - 8,575                         |
| Stormwater/Sewer Division Manager  | 0.50                           |                              |                             | 0.50                           | 6,645 - 8,575                         |
| Surface Water Engineer Supervisor  | 1.00                           |                              |                             | 1.00                           | 6,581 - 8,491                         |
| Senior Surface Water Engineer      | 1.00                           |                              |                             | 1.00                           | 7,091 - 8,342                         |
| Surface Water Utility Engineer     | 2.00                           |                              |                             | 2.00                           | 6,091 - 7,165                         |
| Water Quality Programs Coordinator | 1.00                           |                              |                             | 1.00                           | 5,932 - 6,978                         |
| Urban Forester                     | 0.50                           |                              |                             | 0.50                           | 5,681 - 6,683                         |
| Water Quality Specialist           | 1.00                           |                              |                             | 1.00                           | 5,332 - 6,274                         |
| Education Outreach Specialist      | 1.00                           |                              |                             | 1.00                           | 5,332 - 6,274                         |
| Leadperson                         | 1.80                           |                              |                             | 1.80                           | 5,100 - 6,154                         |
| Field Arborist                     | 1.00                           |                              |                             | 1.00                           | 4,386 - 5,666                         |
| Senior Maintenance Person          | 6.00                           |                              |                             | 6.00                           | 4,279 - 5,527                         |
| Yard Maint. & Inventory Control    | 0.15                           |                              |                             | 0.15                           | 4,279 - 5,527                         |
| Utility Craftsperson               | 0.65                           |                              | (0.50)                      | 0.15                           | 3,988 - 5,098                         |
| Permit Technician                  | 0.20                           |                              |                             | 0.20                           | 4,300 - 5,058                         |
| Accounting Support Associate IV    | 0.10                           |                              |                             | 0.10                           | 4,107 - 4,832                         |
| Utilityperson                      | 8.40                           |                              |                             | 8.40                           | 3,368 - 4,632                         |
| Grounds Technician                 | 0.40                           |                              |                             | 0.40                           | 3,368 - 4,632                         |
| Public Works Office Specialist     | 0.25                           |                              | 0.50                        | 0.75                           | 3,675 - 4,323                         |
| Utility Data Entry Clerk           | 0.34                           |                              |                             | 0.34                           | 3,326 - 3,913                         |
| <b>TOTAL</b>                       | 27.59                          | 0.00                         | 0.00                        | 27.59                          |                                       |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|  |   | 2009 -2010 | 2011 - 2012 | 2011- 2012 | 2013 -2014 | Percent |
|--|---|------------|-------------|------------|------------|---------|
|  |   | Actual     | Estimate    | Budget     | Budget     | Change  |
| <b>Fund:</b>   | <b>Surface Water Management (421)</b>         |            |             |            |            |         |
| <b>Department:</b>                                       | <b>General</b>                                |            |             |            |            |         |
| <b>Division:</b>   | <b>Not Applicable</b>                         |            |             |            |            |         |
| <b>Key:</b>  | <b>Surface Water Mgmt Utility (421000000)</b> |            |             |            |            |         |
| <b>Intergovernmental Revenue</b>                         |   |            |             |            |            |         |
| Dept of Homeland Security                                | 3319703                                       | 17,677     | 0           | 0          | 0          | 0.00%   |
| US Fish and Wildlife                                     | 3331560                                       | 0          | 39,000      | 19,000     | 17,500     | -7.89%  |
| Indirect FEMA  | 3339703                                       | 0          | 29,667      | 0          | 0          | 0.00%   |
| Military Department                                      | 3340180                                       | 2,946      | 4,944       | 0          | 0          | 0.00%   |
| Dept of Ecology  | 3340310                                       | 12,018     | 129,982     | 201,165    | 0          | 0.00%   |
| Other King County Grants                                 | 3370801                                       | 22,741     | 48,072      | 0          | 0          | 0.00%   |
| Waste Reduction Recycling                                | 3370804                                       | 26,409     | 0           | 0          | 0          | 0.00%   |
| King Conservation District                               | 3370805                                       | 11,993     | -284        | 0          | 0          | 0.00%   |
| Intergovt*Other Gen Govt Svcs                            | 3381901                                       | 161        | 0           | 0          | 0          | 0.00%   |
| <b>Total for Intergovernmental Revenue:</b>              |   | 93,945     | 251,381     | 220,165    | 17,500     | -92.05% |
| <b>Charges for Goods and Services</b>                    |   |            |             |            |            |         |
| Other*General Government Svcs                            | 3419001                                       | 0          | 528         | 0          | 0          | 0.00%   |
| Residential Storm Drain Fee                              | 3431101                                       | 0          | 0           | 0          | 9,772,508  | 0.00%   |
| Commercial Storm Drainage Fee                            | 3431201                                       | 0          | 0           | 0          | 8,324,730  | 0.00%   |
| Residential*Storm Drainage Fee                           | 3438301                                       | 4,814,902  | 7,680,498   | 7,942,981  | 0          | 0.00%   |
| Commercial*Storm Drainage                                | 3438302                                       | 5,304,274  | 7,272,400   | 6,959,878  | 0          | 0.00%   |
| Interfund Personnel Services                             | 3491601                                       | 11,859     | 11,457      | 0          | 0          | 0.00%   |
| Interfund-Other Gen Govnmt                               | 3491901                                       | 123,229    | 10,000      | 42,000     | 40,000     | -4.76%  |
| Interfund Engineering-CIP Eng                            | 3493202                                       | 89,876     | 14,516      | 24,000     | 20,000     | -16.66% |
| <b>Total for Charges for Goods and Services:</b>         |   | 10,344,140 | 14,989,399  | 14,968,859 | 18,157,238 | 21.30%  |
| <b>Miscellaneous Revenues</b>                            |   |            |             |            |            |         |
| Investment Interest                                      | 3611101                                       | 144,395    | 57,189      | 46,857     | 40,000     | -14.63% |
| Int on Sales Tax Contract AR                             | 3614001                                       | 30,363     | 35,482      | 0          | 38,000     | 0.00%   |
| Other Judgements Settlements                             | 3694001                                       | 11,405     | 53,252      | 2,000      | 20,000     | 900.00% |
| Other Misc Revenue                                       | 3699001                                       | 1,940      | 1,000       | 2,000      | 2,000      | 0.00%   |
| <b>Total for Miscellaneous Revenues:</b>                 |   | 188,103    | 146,923     | 50,857     | 100,000    | 96.62%  |
| <b>Other Financing Sources</b>                           |   |            |             |            |            |         |
| Resources Forward  | 3999901                                       | 0          | 3,203,072   | 3,203,072  | 3,169,619  | -1.04%  |
| <b>Total for Other Financing Sources:</b>                |   | 0          | 3,203,072   | 3,203,072  | 3,169,619  | -1.04%  |
| <b>Total for Surface Water Mgmt Utility (421000000):</b> |   | 10,626,188 | 18,590,775  | 18,442,953 | 21,444,357 | 16.27%  |
| <b>Total for Not Applicable:</b>                         |   | 10,626,188 | 18,590,775  | 18,442,953 | 21,444,357 | 16.27%  |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

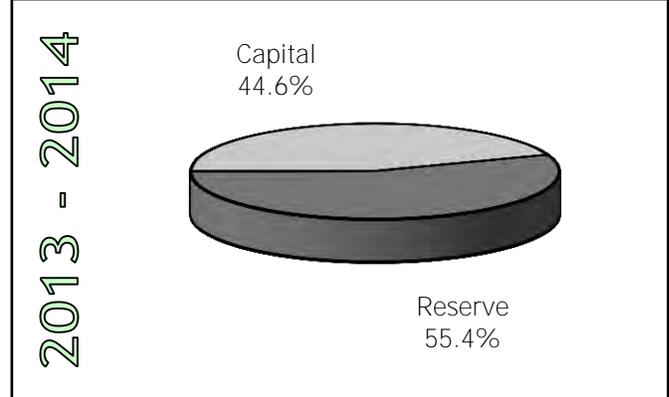
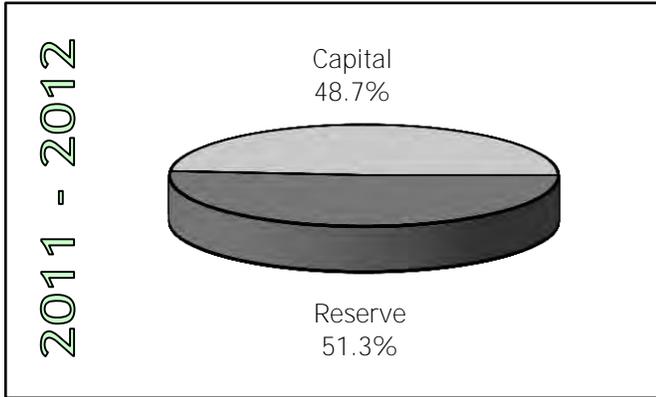
|   | <b>2009 -2010<br/>Actual</b> | <b>2011 - 2012<br/>Estimate</b> | <b>2011- 2012<br/>Budget</b> | <b>2013- 2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---|------------------------------|---------------------------------|------------------------------|------------------------------|---------------------------|
| <b>Total for General:</b>                 | <u>10,626,188</u>            | <u>18,590,775</u>               | <u>18,442,953</u>            | <u>21,444,357</u>            | 16.27%                    |
| <b>Total for Surface Water Managment:</b> | <u>10,626,188</u>            | <u>18,590,775</u>               | <u>18,442,953</u>            | <u>21,444,357</u>            | 16.27%                    |

**NON-OPERATING**



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# CITY OF KIRKLAND SURFACE WATER UTILITY



## 2011-2012 BUDGET SUMMARY: BY PURPOSE

| Fund                               | 2011-12 Budget    | Purpose          |          |                  |          |
|------------------------------------|-------------------|------------------|----------|------------------|----------|
|                                    |                   | Reserve          | Debt     | Capital          | Other    |
| 423 Surface Water Capital Projects | 14,750,925        | 7,562,714        | -        | 7,188,211        | -        |
| <b>Total Non-Operating Funds</b>   | <b>14,750,925</b> | <b>7,562,714</b> | <b>-</b> | <b>7,188,211</b> | <b>-</b> |

## 2013-2014 BUDGET SUMMARY: BY PURPOSE

| Fund                               | 2013-14 Budget    | Purpose           |          |                  |          |
|------------------------------------|-------------------|-------------------|----------|------------------|----------|
|                                    |                   | Reserve           | Debt     | Capital          | Other    |
| 423 Surface Water Capital Projects | 18,315,303        | 10,150,503        | -        | 8,164,800        | -        |
| <b>Total Non-Operating Funds</b>   | <b>18,315,303</b> | <b>10,150,503</b> | <b>-</b> | <b>8,164,800</b> | <b>-</b> |



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**CITY OF KIRKLAND**

***SURFACE WATER UTILITY CAPITAL  
PROJECTS FUND***

Capital Projects Funds are used to fund and track the construction of projects approved in the Capital Improvement Program. The City Council adopts a six-year Capital Improvement Program (CIP) which is a plan for major improvements or purchases needed in the areas of transportation (streets, sidewalks, signals, and intersections), storm drains, water and sewer systems, parks, public safety, and other general government facilities and equipment. The Council revises the CIP biennially. The Surface Water portion of the CIP includes only those projects associated with the surface water utility.

The **Surface Water Capital Projects Fund** accounts for surface water projects which are ultimately funded by a portion of the surface water fees paid by all property owners within the City. Included in the fund is the Surface Water CIP Contingency and the Surface Water Reserve. The former has a target of ten percent of the funded six-year Surface Water CIP and provides a cushion in the event of unanticipated changes in project scope or cost. The latter is comprised of depreciation funding from a portion of the surface water fees for funding future replacement of the Surface Water infrastructure.

**CITY OF KIRKLAND  
CAPITAL IMPROVEMENT PROGRAM  
2013-2014 BUDGET**

**SURFACE WATER CAPITAL PROJECTS FUND (423)**

| <b>Project Category/<br/>Project Title</b>              | <b>Project<br/>Number</b> | <b>Funding<br/>Source</b>    |
|---|---------------------------|------------------------------|
| <b>SURFACE WATER MANAGEMENT</b>                         |                           |                              |
| Annual Replacement Of Aging/Failing Infrastructure      | SD 0047                   | Surface Water Rates          |
| Cochran Springs / Lake Washington Blvd Crossing Enh.    | SD 0048                   | Surface Water Rates          |
| Totem Lake Boulevard Flood Control Measures             | SD 0059                   | Surface Water Rates/External |
| Totem Lake Twin 42 Inch Culvert Replacement             | SD 0075                   | Surface Water Rates/Reserves |
| NE 141st St./111th Avenue NE Culvert Repair             | SD 0076                   | Reserves                     |
| Goat Hill Storm Drainage Repair                         | SD 0077                   | Surface Water Rates          |
| Billy Creek Ravine Stabilization Phase II               | SD 0078                   | Surface Water Rates/Reserves |
| Public Safety Building Stormwater Quality Demonstration | SD 0079                   | Reserves                     |
| Neighborhood Drainage Assistance Program (NDA)          | SD 0081                   | Reserves                     |
| <b>TOTAL SURFACE WATER CAPITAL PROJECTS FUND</b>        |                           |                              |

| 2013<br>Budget   | 2014<br>Budget   | Estimated Total<br>Project Cost | Additional Annual<br>Maintenance & Operations |          |
|------------------|------------------|---------------------------------|---|----------|
|                  |                  |                                 | 2013  | 2014     |
| 200,000          | 200,000          | 1,200,000                       | 0   | 0        |
| 0                | 340,000          | 1,457,100                       | 0   | 0        |
| 302,800          | 1,048,000        | 1,350,800                       | 0   | 0        |
| 4,347,000        | 0                | 4,347,000                       | 0   | 0        |
| 181,500          | 0                | 181,500                         | 0   | 0        |
| 0                | 153,700          | 153,700                         | 0   | 0        |
| 0                | 67,400           | 67,400                          | 0   | 0        |
| 160,000          | 0                | 160,000                         | 0   | 0        |
| 50,000           | 0                | 150,000                         | 0   | 0        |
| <b>5,241,300</b> | <b>1,809,100</b> | <b>9,067,500</b>                | <b>0</b>                                      | <b>0</b> |

**City of Kirkland  
2013-2018 Capital Improvement Program**

**SURFACE WATER MANAGEMENT UTILITY PROJECTS**

**Funded Projects:**

| Project Number  | Project Title  | Prior Year(s)    | 2013             | 2014             | 2015             | 2016             | 2017             | 2018             | 2013-2018 Total   | Funding Source   |                  |               |                 |
|---|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|---------------|-----------------|
|   |  |                  |                  |                  |                  |                  |                  |                  |                   | Current Revenue  | Reserve          | Debt          | External Source |
| SD 0047   | Annual Replacement of Aging/Falling Infrastructure             |                  | 200,000          | 200,000          | 200,000          | 200,000          | 200,000          | 200,000          | 1,200,000         | 1,200,000        |                  |               |                 |
| SD 0048   | Cochran Springs / Lake Washington Blvd Crossing Enh.           | 180,000          |                  | 340,000          | 667,100          | 450,000          |                  |                  | 1,457,100         | 1,457,100        |                  |               |                 |
| SD 0051*  | Forbes Creek/KC Metro Access Road Culvert Enh.                 | 232,200          |                  |                  |                  |                  | 688,000          | 370,700          | 1,058,700         | 1,058,700        |                  |               |                 |
| SD 0053*  | Forbes Creek/Coors Pond Channel Grade Controls                 | 260,200          |                  |                  |                  |                  |                  | 164,700          | 164,700           | 164,700          |                  |               |                 |
| SD 0058*  | Surface Water Sediment Pond Reclamation Phase II               | 115,400          |                  |                  | 497,600          | 238,000          |                  |                  | 735,600           | 735,600          |                  |               |                 |
| SD 0059*  | Totem Lake Boulevard Flood Control Measures                    | 585,400          | 302,800          | 1,048,000        |                  |                  |                  |                  | 1,350,800         | 1,014,800        |                  |               | 336,000         |
| SD 0067*  | NE 129th Place/Juanita Creek Rockery Repair                    | 115,500          |                  |                  | 223,300          |                  |                  |                  | 223,300           | 223,300          |                  |               |                 |
| <b>SD 0075~</b>   | <b>Totem Lake Twin 42 Inch Culvert Replacement</b>             | <b>922,000</b>   | <b>4,347,000</b> |                  |                  |                  |                  |                  | <b>4,347,000</b>  | <b>1,253,200</b> | <b>3,093,800</b> |               |                 |
| <b>SD 0076#</b>   | <b>NE 141st Street/111th Avenue NE Culvert Repair</b>          |                  | <b>181,500</b>   |                  |                  |                  |                  |                  | <b>181,500</b>    |                  | <b>181,500</b>   |               |                 |
| <b>SD 0077#</b>   | <b>Goat Hill Storm Drainage Repair</b>                         |                  |                  | <b>153,700</b>   |                  |                  |                  |                  | <b>153,700</b>    | <b>153,700</b>   |                  |               |                 |
| <b>SD 0078#</b>   | <b>Billy Creek Ravine Stabilization Phase II</b>               |                  |                  | <b>67,400</b>    |                  |                  |                  |                  | <b>67,400</b>     | <b>14,300</b>    |                  | <b>53,100</b> |                 |
| <b>SD 0079</b>  | <b>Public Safety Building Stormwater Quality Demonstration</b> |                  | <b>160,000</b>   |                  |                  |                  |                  |                  | <b>160,000</b>    |                  | <b>160,000</b>   |               |                 |
| <b>SD 0081</b>  | <b>Neighborhood Drainage Assistance Program (NDA)</b>          |                  | <b>50,000</b>    |                  | <b>50,000</b>    |                  | <b>50,000</b>    |                  | <b>150,000</b>    |                  | <b>150,000</b>   |               |                 |
| SD 8888*  | Annual Streambank Stabilization Program                        |                  |                  |                  |                  | 350,000          |                  | 425,000          | 1,125,000         | 1,125,000        |                  |               |                 |
| SD 9999*  | Annual Surface Water Infrastructure Replacement Program        |                  |                  |                  |                  | 350,000          | 350,000          | 427,600          | 1,127,600         | 1,127,600        |                  |               |                 |
| <b>Total Funded Surface Water Management Utility Projects</b> |  | <b>2,410,700</b> | <b>5,241,300</b> | <b>1,809,100</b> | <b>1,638,000</b> | <b>1,588,000</b> | <b>1,638,000</b> | <b>1,588,000</b> | <b>13,502,400</b> | <b>9,528,000</b> | <b>3,638,400</b> | <b>0</b>      | <b>336,000</b>  |

**Unfunded Projects:**

| Project Number   | Project Title   | Total             |
|--|---|-------------------|
| SD 0045^   | Carillon Woods Erosion Control Measures                 | 549,600           |
| SD 0046#   | Regional Detention in Forbes and Juanita Creek Basins   | 2,810,200         |
| SD 0049#   | Forbes Creek/108th Avenue NE Fish Passage Improvements  | 332,900           |
| SD 0050#   | NE 95th Street/126th Avenue NE Flood Control Measures   | 55,900            |
| SD 0052^   | Forbes Creek/Slater Avenue Embankment Stabilization     | 139,700           |
| SD 0054#   | Forbes Creek/BNSFRR Fish Passage Improvements           | 424,200           |
| SD 0055  | Forbes Creek / 98th Avenue NE Riparian Plantings        | 75,500            |
| SD 0056^   | Forbes Creek Ponds Fish Passage/Riparian Plantings      | 213,000           |
| SD 0061^   | Everest Park Stream Channel/Riparian Enhancements       | 1,095,500         |
| SD 0062^   | Stream Flood Control Measures at Kirkland Post Office   | 345,400           |
| SD 0063^   | Everest Creek-Slater Avenue at Alexander Street         | 830,300           |
| SD 0068  | 128th Ave NE/NE 60th Street To NE 64th St Drainage Imp. | 270,300           |
| SD 0070  | Juanita Creek Watershed Enhancement Study               | 50,000            |
| SD 0074  | Streambank Stabilization Program – NE 86th Street       | 640,200           |
| <b>SD 0080</b>   | <b>Regional Decant and City Maintenance Facility</b>    | <b>10,500,000</b> |
| <b>Subtotal Unfunded Surface Water Management Utility Projects</b>   |   | <b>18,332,700</b> |
| <b>Funding Available from Annual Programs for Candidate Projects</b> |   | <b>2,252,600</b>  |
| <b>Net Unfunded Surface Water Management Utility Projects</b>        |   | <b>16,080,100</b> |

**Prior Year(s) Funding (Budget to Actuals):**

| Project Number  | Project Title  | Budget           | Actual         | Balance          |
|---|--|------------------|----------------|------------------|
| SD 0048   | Cochran Springs / Lake Washington Blvd Crossing Enh. | 180,000          | 0              | 180,000          |
| SD 0051*  | Forbes Creek/KC Metro Access Road Culvert Enh.       | 232,200          | 88,092         | 144,108          |
| SD 0053*  | Forbes Creek/Coors Pond Channel Grade Controls       | 260,200          | 84,147         | 176,053          |
| SD 0058*  | Surface Water Sediment Pond Reclamation Phase II     | 115,400          | 29,151         | 86,249           |
| SD 0059*  | Totem Lake Boulevard Flood Control Measures          | 585,400          | 379,640        | 205,760          |
| SD 0067*  | NE 129th Place/Juanita Creek Rockery Repair          | 115,500          | 0              | 115,500          |
| <b>SD 0075~</b>   | <b>Totem Lake Twin 42 Inch Culvert Replacement</b>   | <b>922,000</b>   | <b>0</b>       | <b>922,000</b>   |
| <b>Total Prior Year(s) Funding (Budget to Actuals):</b> |  | <b>2,410,700</b> | <b>581,030</b> | <b>1,829,670</b> |

Notes

\* = Modification in timing and/or cost (see Project Modification Schedule for greater detail)

+ = Moved from unfunded status to funded status

" = Moved from funded status to unfunded status

^ = Annual Streambank Stabilization Program Project Candidates

# = Annual Storm Drain Replacement Program Project Candidates

Shaded year(s) = Previous timing

**Bold italics = New projects**

~Project approved as new project by Council April 17, 2012

**CITY OF KIRKLAND  
CHANGE IN FUND BALANCE (Beginning 2011 to Ending 2014)  
SOLID WASTE UTILITY**

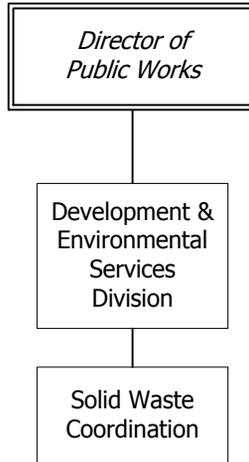
|  | <b>Solid<br/>Waste</b> |
|--|------------------------|
| <b>2011 Actual Beginning Fund Balance</b>                        | <b>1,832,875</b>       |
| <i>Reserved</i>  | <i>5,000</i>           |
| <i>Unreserved Working Capital</i>                                | <i>1,827,875</i>       |
| Plus: 2011-12 Estimated Revenues                                 | 22,328,222             |
| Less: 2011-12 Estimated Expenditures                             | 23,326,664             |
| <b>2011-12 Estimated Ending Fund Balance</b>                     | <b>834,433</b>         |
| Less: Funding for Carryovers to 2013                             | -                      |
| <b>2013 Budgeted Beginning Fund Balance</b>                      | <b>834,433</b>         |
| Plus: 2013-14 Budgeted Revenues                                  | 31,800,291             |
| Less: 2013-14 Budgeted Expenditures                              | 31,360,504             |
| <b>2014 Budgeted Ending Fund Balance</b>                         | <b>1,274,220</b>       |
| <i>Reserved</i>  | -                      |
| <i>Unreserved Working Capital</i>                                | <i>1,274,220</i>       |
| <b>Change in Fund Balance:<br/>Beginning 2011 to Ending 2014</b> | <b>(558,655)</b>       |

**Note:**

The decrease in fund balance is due to the use of working capital during the 2011-12 biennium due to revenue losses from customer container downsizing. Rate increases in 2013-2014 have brought operating activity back into balance.

# CITY OF KIRKLAND Public Works Department

## Solid Waste Fund



*Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.*

## DEPARTMENT OVERVIEW

# ***SOLID WASTE FUND***

## MISSION

The Solid Waste Fund is established to account for the administration of all resources associated with solid waste and recycling services.

## DEPARTMENT FUNCTIONS

The Public Works Department administers the Solid Waste Fund. The City collects all garbage within the city limits of Kirkland by contracting with a private hauler. The current contract is with Waste Management Inc. The Solid Waste Group oversees and administers the waste collection contract and coordinates recycling grants, events, and programs for community outreach and education.

## RELATIONSHIP TO COUNCIL GOALS

### **Financial Stability**

- Implement and maintain a rate structure that ensures financial stability of the Solid Waste Utility and maintenance of reserves.

### **Environment**

- Provide community outreach programs to educate citizens on the environmental and economic benefits of recycling in order to protect the environment and promote quality of life for future generations.
- **Work with the City's solid waste contractor to develop and implement new and enhanced recycling programs.**

### **Dependable Infrastructure**

- Ensure consistent service to maintain a clean, healthy environment at a reasonable cost.
- Provide support to regional bodies tasked with planning for long term solid waste disposal sites.

## BUDGET HIGHLIGHTS

### **2013-2014 Reductions and Efficiencies**

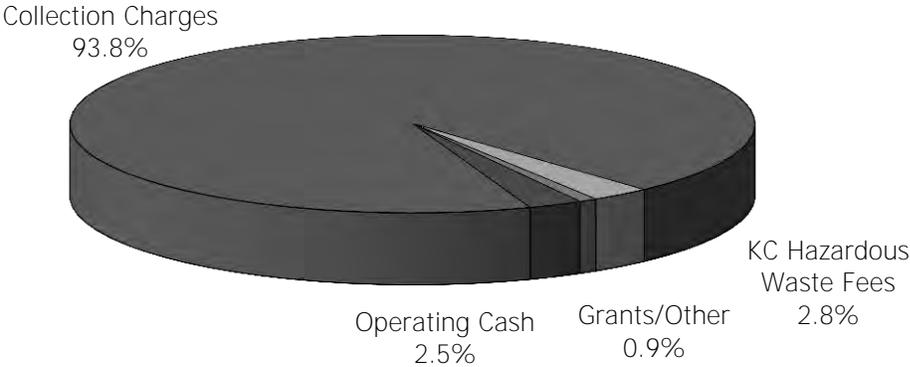
- Defer hiring of 0.5 FTE Environmental Education and Outreach Specialist position.
- Use surplus fleet vehicle in lieu of purchasing a new vehicle for staff.

### **2013-2014 Additions**

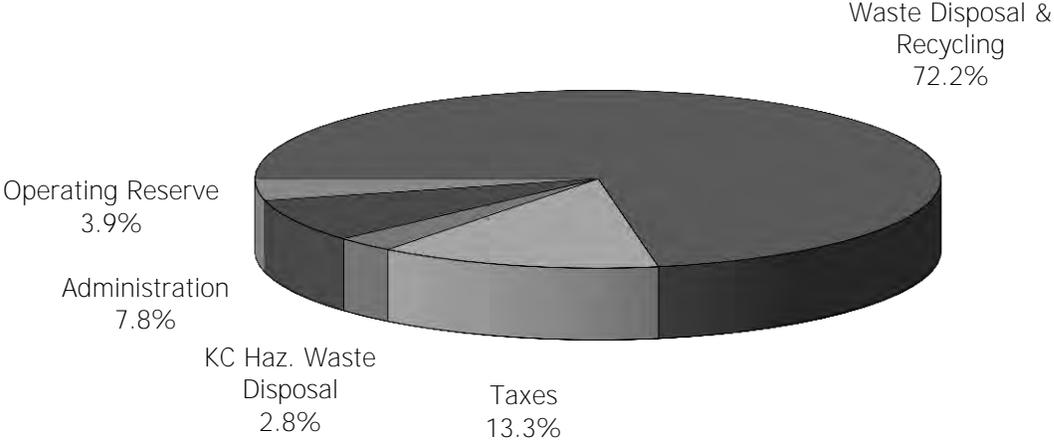
- Increase in fees paid to Waste Management for Pick up and Disposal of waste - \$4,675,269:
  - King County Tipping fee increased from \$109/ton to \$120.17/ton
  - Annual CPI to Waste Management increased 2.7% in 2013 and 2.5% in 2014
- Increase charges to account for bank fees related to use of credit cards for utility payments for new solid waste customers - \$63,760.
- Increase in state taxes based on recent interpretation of generally accepted accounting principles for recording of the **City's utility tax**. The City tax revenue now shows as a revenue of the utility, offset by a transfer to the General Fund - \$2,908,321. Tax increase will be offset by a reduction in the **City's solid waste utility tax** to result in no net increase to customers.

# 2013-2014 BUDGET SOLID WASTE FUND

## Sources of Funds



## Uses of Funds



**2013-2014 FINANCIAL OVERVIEW**

***SOLID WASTE FUND***

**FINANCIAL SUMMARY BY OBJECT**

|                     | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Salaries and Wages  | 255,898                     | 344,657                       | 477,515                     | 422,251                     | -11.57%                   |
| Benefits            | 92,012                      | 130,997                       | 190,286                     | 183,376                     | -3.63%                    |
| Supplies            | 22,869                      | 92,269                        | 40,120                      | 44,200                      | 10.17%                    |
| Other Services      | 14,772,138                  | 20,137,056                    | 20,219,464                  | 24,842,999                  | 22.87%                    |
| Government Services | 1,298,341                   | 2,616,685                     | 2,877,818                   | 5,843,365                   | 103.05%                   |
| Capital Outlay      | -                           | -                             | -                           | -                           | n/a                       |
| Reserves            | -                           | 5,000                         | 1,297,298                   | 1,298,533                   | 0.10%                     |
| <b>TOTAL</b>        | 16,441,258                  | 23,326,664                    | 25,102,501                  | 32,634,724                  | 30.01%                    |

**FINANCIAL SUMMARY BY DIVISION**

|              | <b>2009-2010<br/>Actual</b> | <b>2011-2012<br/>Estimate</b> | <b>2011-2012<br/>Budget</b> | <b>2013-2014<br/>Budget</b> | <b>Percent<br/>Change</b> |
|--------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Solid Waste  | 16,441,258                  | 23,326,664                    | 25,102,501                  | 32,634,724                  | 30.01%                    |
| <b>TOTAL</b> | 16,441,258                  | 23,326,664                    | 25,102,501                  | 32,634,724                  | 30.01%                    |

**POSITION SUMMARY BY DIVISION**

|              | <b>2009-2010<br/>Actual</b> | <b>Adjustments</b> | <b>2011-2012<br/>Budget</b> | <b>Adjustments</b> | <b>2013-2014<br/>Budget</b> |
|--------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Solid Waste  | 2.00                        | 0.80               | 2.80                        | 0.00               | 2.80                        |
| <b>TOTAL</b> | 2.00                        | 0.80               | 2.80                        | 0.00               | 2.80                        |

**2013-2014 POSITION SUMMARY**

***SOLID WASTE FUND***

**POSITION SUMMARY BY CLASSIFICATION**

| <b>Classification</b>           | <b>2011-2012<br/>Positions</b> | <b>Budget<br/>Reductions</b> | <b>Service<br/>Packages</b> | <b>2013-2014<br/>Positions</b> | <b>Budgeted 2013<br/>Salary Range</b> |
|---------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------------|
| Development Engineering Manager | 0.10                           |                              |                             | 0.10                           | 7,787 - 10,047                        |
| Solid Waste Programs Lead       | 1.00                           |                              |                             | 1.00                           | 5,932 - 6,978                         |
| Recycling Programs Coordinator  | 1.00                           |                              |                             | 1.00                           | 5,332 - 6,274                         |
| Education Outreach Specialist   | 0.50                           |                              |                             | 0.50                           | 5,332 - 6,274                         |
| Permit Technician               | 0.10                           |                              |                             | 0.10                           | 4,300 - 5,058                         |
| Accounting Support Associate IV | 0.10                           |                              |                             | 0.10                           | 4,107 - 4,832                         |
| <b>TOTAL</b>                    | 2.80                           | 0.00                         | 0.00                        | 2.80                           |                                       |

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

|  |                                | 2009 -2010<br>Actual | 2011 - 2012<br>Estimate | 2011- 2012<br>Budget | 2013 - 2014<br>Budget | Percent<br>Change |
|--|--------------------------------|----------------------|-------------------------|----------------------|-----------------------|-------------------|
| <b>Fund:</b>                                     | <b>Solid Waste (431)</b>       |                      |                         |                      |                       |                   |
| <b>Department:</b>                               | <b>General</b>                 |                      |                         |                      |                       |                   |
| <b>Division:</b>                                 | <b>Not Applicable</b>          |                      |                         |                      |                       |                   |
| <b>Key:</b>                                      | <b>Solid Waste (431000000)</b> |                      |                         |                      |                       |                   |
| <b>Intergovernmental Revenue</b>                 |                                |                      |                         |                      |                       |                   |
| Indirect FEMA                                    | 3339703                        | 0                    | 574                     | 0                    | 0                     | 0.00%             |
| Military Department                              | 3340180                        | 0                    | 95                      | 0                    | 0                     | 0.00%             |
| Dept of Ecology                                  | 3340310                        | 49,276               | 47,056                  | 69,436               | 89,161                | 28.40%            |
| Local Hazardous Waste                            | 3370803                        | 31,786               | 31,513                  | 30,000               | 43,090                | 43.63%            |
| Waste Reduction Recycling                        | 3370804                        | 116,233              | 144,230                 | 120,000              | 120,430               | 0.35%             |
| <b>Total for Intergovernmental Revenue:</b>      |                                | 197,295              | 223,468                 | 219,436              | 252,681               | 15.15%            |
| <b>Charges for Goods and Services</b>            |                                |                      |                         |                      |                       |                   |
| Residential Collection                           | 3437001                        | 6,581,267            | 10,109,135              | 9,054,328            | 13,772,144            | 52.10%            |
| Multi-Family Collection                          | 3437002                        | 3,709,419            | 4,607,909               | 5,343,545            | 5,784,301             | 8.24%             |
| Commercial Collection                            | 3437003                        | 5,773,421            | 6,491,770               | 7,830,029            | 7,987,844             | 2.01%             |
| Solid Waste Penalties                            | 3437004                        | 106,217              | 147,878                 | 113,470              | 150,000               | 32.19%            |
| Eff Utility Tax Revenue Gbg                      | 3437008                        | 0                    | 0                       | 0                    | 2,908,321             | 0.00%             |
| Misc Utility Revenue                             | 3438901                        | 0                    | 6,039                   | 0                    | 4,000                 | 0.00%             |
| King County Hazardous Waste                      | 3439002                        | 464,281              | 716,193                 | 677,250              | 915,000               | 35.10%            |
| <b>Total for Charges for Goods and Services:</b> |                                | 16,634,605           | 22,078,924              | 23,018,622           | 31,521,610            | 36.93%            |
| <b>Miscellaneous Revenues</b>                    |                                |                      |                         |                      |                       |                   |
| Investment Interest                              | 3611101                        | 90,787               | 33,400                  | 31,568               | 26,000                | -17.63%           |
| Int on Sales Tax Contract AR                     | 3614001                        | 1,350                | 0                       | 0                    | 0                     | 0.00%             |
| Other Misc Revenue                               | 3699001                        | 11,548               | 0                       | 0                    | 0                     | 0.00%             |
| <b>Total for Miscellaneous Revenues:</b>         |                                | 103,685              | 33,400                  | 31,568               | 26,000                | -17.63%           |
| <b>Other Financing Sources</b>                   |                                |                      |                         |                      |                       |                   |
| Resources Forward                                | 3999901                        | 0                    | 1,832,875               | 1,832,875            | 834,433               | -54.47%           |
| <b>Total for Other Financing Sources:</b>        |                                | 0                    | 1,832,875               | 1,832,875            | 834,433               | -54.47%           |
| <b>Total for Solid Waste (431000000):</b>        |                                | 16,935,585           | 24,168,667              | 25,102,501           | 32,634,724            | 30.00%            |
| <b>Total for Not Applicable:</b>                 |                                | 16,935,585           | 24,168,667              | 25,102,501           | 32,634,724            | 30.00%            |
| <b>Total for General:</b>                        |                                | 16,935,585           | 24,168,667              | 25,102,501           | 32,634,724            | 30.00%            |
| <b>Total for Solid Waste:</b>                    |                                | 16,935,585           | 24,168,667              | 25,102,501           | 32,634,724            | 30.00%            |



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STATE OF WASHINGTON  
COUNTY OF KING

CERTIFICATE

*I, Tracey Dunlap, Director of Finance and Administration of the City of Kirkland, Washington, do hereby certify that the foregoing budget entitled "CITY OF KIRKLAND 2013-2014 BUDGET" is a true, full, and correct copy of the 2013-2014 budget adopted by the City Council of Kirkland on December 11, 2012.*

*IN WITNESS WHEREOF I have hereunto subscribed my name and affixed the official seal of the City of Kirkland, Washington, this 5th day of April, 2013.*



*Tracey Dunlap*  
\_\_\_\_\_  
Tracey Dunlap, Director of Finance & Administration  
CITY OF KIRKLAND



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ORDINANCE 4396

AN ORDINANCE OF THE CITY OF KIRKLAND ADOPTING THE BIENNIAL BUDGET FOR 2013-2014.

WHEREAS, the Kirkland City Council conducted a duly noticed public hearing on November 20, 2012, to take public comment with respect to the proposed Biennial Budget of the City of Kirkland for 2013-2014 and all persons wishing to be heard were heard; and

WHEREAS, the City Council finds that the proposed Biennial Budget for 2013-2014 reflects revenues and expenditures that are intended to ensure the provision of vital municipal services at acceptable levels;

NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. The Biennial Budget of the City of Kirkland for 2013-2014, as **set out in Exhibit "A" attached and** incorporated by this reference as though fully set forth, is adopted as the Biennial Budget of the City of Kirkland for 2013-2014.

Section 2. In summary form, the totals of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined are as follows:

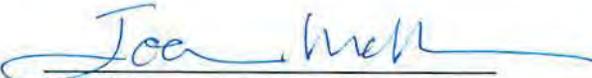
| <u>Funds</u>                       | <u>Estimated Revenues</u> | <u>Appropriations</u> |
|------------------------------------|---------------------------|-----------------------|
| General                            | 171,626,838               | 171,626,838           |
| Lodging Tax                        | 690,652                   | 690,652               |
| Street Operating                   | 20,167,286                | 20,167,286            |
| Cemetery Operating                 | 816,308                   | 816,308               |
| Parks Maintenance                  | 3,060,649                 | 3,060,649             |
| Park Levy                          | 5,006,077                 | 5,006,077             |
| Contingency                        | 2,296,510                 | 2,296,510             |
| Impact Fees                        | 3,111,739                 | 3,111,739             |
| Excise Tax Capital Improvement     | 12,597,175                | 12,597,175            |
| Limited General Obligation Bonds   | 7,719,330                 | 7,719,330             |
| Unlimited General Obligation Bonds | 1,770,853                 | 1,770,853             |
| General Capital Projects           | 54,759,348                | 54,759,348            |
| Transportation Capital Projects    | 39,416,383                | 39,416,383            |
| Water/Sewer Operating              | 52,829,481                | 52,829,481            |
| Water/Sewer Debt Service           | 2,567,358                 | 2,567,358             |
| Utility Capital Projects           | 22,415,061                | 22,415,061            |
| Surface Water Management           | 21,444,357                | 21,444,357            |
| Surface Water Capital Projects     | 18,315,303                | 18,315,303            |
| Solid Waste                        | 32,634,724                | 32,634,724            |
| Health Benefits                    | 24,617,930                | 24,617,930            |

|                        |                    |                    |
|------------------------|--------------------|--------------------|
| Equipment Rental       | 19,090,357         | 19,090,357         |
| Information Technology | 12,061,934         | 12,061,934         |
| Facilities Maintenance | 12,771,400         | 12,771,400         |
| Firefighter's Pension  | 1,921,858          | 1,921,858          |
|                        | <u>543,708,911</u> | <u>543,708,911</u> |

Section 3. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication pursuant to Section 1.08.017, Kirkland Municipal Code in the summary form attached to the original of this ordinance and by this reference approved by the City Council.

Passed by majority vote of the Kirkland City Council in open meeting this 11<sup>th</sup> day of December, 2012.

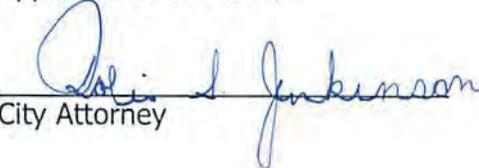
Signed in authentication thereof this 11<sup>th</sup> day of December, 2012.

  
MAYOR

Attest:

  
City Clerk

Approved as to Form:

  
City Attorney

**CITY OF KIRKLAND**  
**2013-14 BUDGET-Preliminary to Final Adjustments**

Exhibit A

**General Government Operating Funds**

| Fund  | 2011-12 Amended Budget | 2013-14 Prelim Budget | Adjustments      | 2013-14 Final Budget | Percent Change |
|---|------------------------|-----------------------|------------------|----------------------|----------------|
| <b>General Fund</b>                             |                        |                       |                  |                      |                |
| 010 General                                     | 161,361,264            | 171,895,906           | (269,068)        | 171,626,838          | 6.36%          |
| <b>Special Revenue Funds</b>                    |                        |                       |                  |                      |                |
| 112 Lodging Tax                                 | 537,249                | 690,652               | -                | 690,652              | 28.55%         |
| 117 Street Operating                            | 14,716,526             | 20,294,540            | (127,254)        | 20,167,286           | 37.04%         |
| 122 Cemetery Operating                          | 762,492                | 816,308               | -                | 816,308              | 7.06%          |
| 125 Parks Maintenance                           | 2,588,335              | 3,060,649             | -                | 3,060,649            | 18.25%         |
| 128 Park Levy                                   | -                      | 2,747,711             | 2,258,366        | 5,006,077            | #DIV/0!        |
| <b>Total Special Revenue Funds</b>              | <b>18,604,602</b>      | <b>27,609,860</b>     | <b>2,131,112</b> | <b>29,740,972</b>    | <b>59.86%</b>  |
| <b>Internal Service Funds</b>                   |                        |                       |                  |                      |                |
| 511 Health Benefits Fund                        | 15,735,691             | 24,617,930            | -                | 24,617,930           | 56.45%         |
| 521 Equipment Rental                            | 19,155,624             | 19,059,357            | 31,000           | 19,090,357           | -0.34%         |
| 522 Information Technology                      | 11,460,982             | 12,061,934            | -                | 12,061,934           | 5.24%          |
| 527 Facilities Maintenance                      | 10,769,943             | 12,771,400            | -                | 12,771,400           | 18.58%         |
| <b>Total Internal Service Funds</b>             | <b>57,122,240</b>      | <b>68,510,621</b>     | <b>31,000</b>    | <b>68,541,621</b>    | <b>19.99%</b>  |
| <b>Total General Government Operating Funds</b> | <b>237,088,106</b>     | <b>268,016,387</b>    | <b>1,893,044</b> | <b>269,909,431</b>   | <b>13.84%</b>  |

**General Government Non-Operating Funds**

| Fund   | 2011-12 Amended Budget | 2013-14 Prelim Budget | Adjustments        | 2013-14 Final Budget | Percent Change |
|--|------------------------|-----------------------|--------------------|----------------------|----------------|
| <b>Special Revenue Funds</b>                 |                        |                       |                    |                      |                |
| 152 Contingency                              | 2,246,510              | 2,296,510             | -                  | 2,296,510            | 2.23%          |
| 156 Impact Fees                              | 1,971,968              | 3,111,739             | -                  | 3,111,739            | 57.80%         |
| 190 Excise Tax Capital Improvement           | 12,866,748             | 15,375,429            | (2,778,254)        | 12,597,175           | -2.10%         |
| <b>Total Special Revenue Funds</b>           | <b>17,085,226</b>      | <b>20,783,678</b>     | <b>(2,778,254)</b> | <b>18,005,424</b>    | <b>5.39%</b>   |
| <b>Debt Service Funds</b>                    |                        |                       |                    |                      |                |
| 210 LTGO Debt Service                        | 11,370,553             | 7,719,330             | -                  | 7,719,330            | -32.11%        |
| 220 UTGO Debt Service                        | 2,144,487              | 1,770,853             | -                  | 1,770,853            | -17.42%        |
| <b>Total Debt Service Funds</b>              | <b>13,515,040</b>      | <b>9,490,183</b>      | <b>-</b>           | <b>9,490,183</b>     | <b>-29.78%</b> |
| <b>Capital Projects Funds</b>                |                        |                       |                    |                      |                |
| 310 General Capital Projects                 | 52,653,591             | 54,679,019            | 80,329             | 54,759,348           | 4.00%          |
| 320 Transportation Capital Projects          | 32,914,691             | 35,099,887            | 4,316,496          | 39,416,383           | 19.75%         |
| <b>Total Capital Projects Funds</b>          | <b>85,568,282</b>      | <b>89,778,906</b>     | <b>4,396,825</b>   | <b>94,175,731</b>    | <b>10.06%</b>  |
| <b>Trust Funds</b>                           |                        |                       |                    |                      |                |
| 620 Firefighter's Pension                    | 1,767,099              | 1,921,858             | -                  | 1,921,858            | 8.76%          |
| <b>Total Trust Funds</b>                     | <b>1,767,099</b>       | <b>1,921,858</b>      | <b>-</b>           | <b>1,921,858</b>     | <b>8.76%</b>   |
| <b>Total General Government Non-Op Funds</b> | <b>117,935,647</b>     | <b>121,974,625</b>    | <b>1,618,571</b>   | <b>123,593,196</b>   | <b>4.80%</b>   |

**CITY OF KIRKLAND**  
**2013-14 BUDGET-Preliminary to Final Adjustments**

Exhibit A

**Water/Sewer Utility Funds**

| Fund                                   | 2011-12 Amended Budget | 2013-14 Prelim Budget | Adjustments     | 2013-14 Final Budget | Percent Change |
|--|------------------------|-----------------------|-----------------|----------------------|----------------|
| <b><i>Operating Fund</i></b>           |                        |                       |                 |                      |                |
| 411 Water/Sewer Operating              | 45,945,527             | 52,829,481            | -               | 52,829,481           | 14.98%         |
| <b>Total Operating Fund</b>            | <b>45,945,527</b>      | <b>52,829,481</b>     | <b>-</b>        | <b>52,829,481</b>    | <b>14.98%</b>  |
| <b><i>Non-Operating Funds</i></b>      |                        |                       |                 |                      |                |
| 412 Water/Sewer Debt Service           | 2,962,187              | 2,567,358             | -               | 2,567,358            | -13.33%        |
| 413 Utility Capital Projects           | 18,054,238             | 22,442,804            | (27,743)        | 22,415,061           | 24.15%         |
| <b>Total Non-Operating Funds</b>       | <b>21,016,425</b>      | <b>25,010,162</b>     | <b>(27,743)</b> | <b>24,982,419</b>    | <b>18.87%</b>  |
| <b>Total Water/Sewer Utility Funds</b> | <b>66,961,952</b>      | <b>77,839,643</b>     | <b>(27,743)</b> | <b>77,811,900</b>    | <b>16.20%</b>  |

**Surface Water Utility Funds**

| Fund                                     | 2011-12 Amended Budget | 2013-14 Prelim Budget | Adjustments      | 2013-14 Final Budget | Percent Change |
|--|------------------------|-----------------------|------------------|----------------------|----------------|
| <b><i>Operating Fund</i></b>             |                        |                       |                  |                      |                |
| 421 Surface Water Management             | 18,442,953             | 21,553,357            | (109,000)        | 21,444,357           | 16.27%         |
| <b>Total Operating Fund</b>              | <b>18,442,953</b>      | <b>21,553,357</b>     | <b>(109,000)</b> | <b>21,444,357</b>    | <b>16.27%</b>  |
| <b><i>Non-Operating Fund</i></b>         |                        |                       |                  |                      |                |
| 423 Surface Water Capital Projects       | 14,750,925             | 18,342,631            | (27,328)         | 18,315,303           | 24.16%         |
| <b>Total Non-Operating Funds</b>         | <b>14,750,925</b>      | <b>18,342,631</b>     | <b>(27,328)</b>  | <b>18,315,303</b>    | <b>24.16%</b>  |
| <b>Total Surface Water Utility Funds</b> | <b>33,193,878</b>      | <b>39,895,988</b>     | <b>(136,328)</b> | <b>39,759,660</b>    | <b>19.78%</b>  |

**Solid Waste Utility Fund**

| Fund                                  | 2011-12 Amended Budget | 2013-14 Prelim Budget | Adjustments | 2013-14 Final Budget | Percent Change |
|---------------------------------------|------------------------|-----------------------|-------------|----------------------|----------------|
| <b><i>Operating Fund</i></b>          |                        |                       |             |                      |                |
| 431 Solid Waste Utility               | 25,102,501             | 32,634,724            | -           | 32,634,724           | 30.01%         |
| <b>Total Operating Fund</b>           | <b>25,102,501</b>      | <b>32,634,724</b>     | <b>-</b>    | <b>32,634,724</b>    | <b>30.01%</b>  |
| <b>Total Solid Waste Utility Fund</b> | <b>25,102,501</b>      | <b>32,634,724</b>     | <b>-</b>    | <b>32,634,724</b>    | <b>30.01%</b>  |

|                        |                    |                    |                  |                    |               |
|------------------------|--------------------|--------------------|------------------|--------------------|---------------|
| <b>TOTAL ALL FUNDS</b> | <b>480,282,084</b> | <b>540,361,367</b> | <b>3,347,544</b> | <b>543,708,911</b> | <b>13.21%</b> |
|------------------------|--------------------|--------------------|------------------|--------------------|---------------|

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# POLICIES



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# INVESTMENT POLICY



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**City of Kirkland**  
**Investment Policy**  
**Adopted by Resolution (R-4797) on January 5, 2010**

**1.0 Policy Statement**

It is the policy of the City of Kirkland, ("the City") to invest public funds in a manner which provides the highest investment return with maximum security while meeting the daily cash flow requirements and conforming to all state and local statutes governing the investment of public funds.

**2.0 Scope**

This investment policy applies to all financial assets for the City of Kirkland. These funds are accounted for in the City's annual financial report and include:

- General Fund
  - Special Revenue Funds
  - Capital Project Funds
  - Enterprise Funds
  - Trust and Agency Funds
  - Debt Service Funds
- Any new funds created by the Finance Director unless specifically exempted.

**3.0 Objective**

The primary objectives, in order of priority, for the City of Kirkland's investment activities are as follows:

- 3.1 Legality: The City's investments will be in compliance with all statutes governing the investment of public funds in the State of Washington.
- 3.2 Liquidity: The City's investments will remain sufficiently liquid to enable the city to meet all operating requirements which might be reasonably anticipated.
- 3.3 Safety: Investments of the City will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from other investments.
- 3.4 Yield: The City's investments will be designed with the objective of attaining a market rate return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow characteristics.

**City of Kirkland**  
**Investment Policy**  
**Adopted by Resolution (R-4797) on January 5, 2010**

Core investments are limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- a. A security with declining credit may be sold early to minimize loss of principal.
- b. A security swap that would improve the quality, yield or target duration in the portfolio.
- c. Liquidity needs of the portfolio require that the security be sold.

**4.0 Delegation of Authority**

In accordance with City of Kirkland Municipal code, Ordinance No.2455, an Investment Committee was created consisting of the City Manager and Finance Director. Authority is granted to these individuals to invest any portion of the monies in the City's inactive funds or other funds in excess of current needs. The Finance Director may designate a person to coordinate the day to day operations of the investment portfolio.

**5.0 Prudence**

Investments will be made with judgment and care, under circumstances then prevailing, which person of prudence, discretion and intelligence would use in the management of their own affairs, not for speculation, but for investment purposes (Prudent Person Standard).

The standard of prudence to be used by investment officials will be the "prudent person" and will be applied in the context of managing an overall portfolio. Investment officers meeting the "prudent person" standard will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**6.0 Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that may conflict with the proper execution of the investment program, or may impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to Investment Committee any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio.

**City of Kirkland**  
**Investment Policy**  
**Adopted by Resolution (R-4797) on January 5, 2010**

**7.0 Authorized Financial Dealers and Institutions**

The Investment Committee will maintain a list of financial institutions as required by the Public Deposit Protection Commission (PDPC), authorized to provide investment services as outlined in R.C.W. 39.58.080. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness. No public deposits will be made except in a qualified public depository in the State of Washington. These may include "primary" dealers or regional dealers that qualify under SEC Rule 15C3-1 (uniform net capital rule).

All brokers/dealers and financial institutions who desire to do business with the City must supply the Finance Director with the following: Annual audited financial statement, proof of Financial Industry Regulatory Authority (FINRA) Certification, certification of having read the City's investment policy and receipt of the City's Trading Authorization. The Investment Committee will conduct an annual review of the financial condition of authorized brokers/dealers and the safekeeping institution and an audit of the submitted documents on file.

**8.0 Broker Allocation**

Investment transactions will be based upon the financial institution or brokerage firm that offers the best price to the City on each particular transaction. The City will make its best effort to obtain three bids for purchase or sale of government agency securities other than new issues. If circumstances dictate fewer than three bids due to the volatility of the market place, lack of bids, etc. the Finance Director or the Deputy Director has the authority to waive this. Generally all brokers will not have the same inventory of agency securities available to sell, but should be able to offer comparable alternatives. Banker's acceptances and Certificates of Deposit (other than a compensating balance CD) also require the acquisition of at least three bids, and acceptance of the most attractive rate from among comparable alternatives. Where two or more institutions or brokers have offered the same low bid, allocation will go to the lowest bidder that has provided the best service to the City.

**9.0 Authorized and Suitable Investments**

The City is empowered to invest in the following types of securities:

Eligible investments are only those securities and deposits authorized by statute (RCW 39.58, 39.59, 43.250, and 43.84.080) Eligible investments include:

- Obligations of the U.S. government;  
U.S. Treasury Notes, Bonds and Bills

**City of Kirkland**  
**Investment Policy**  
**Adopted by Resolution (R-4797) on January 5, 2010**

- Obligations of U.S. government agencies, corporations wholly owned by the U.S. government or any Government Sponsored Enterprises (GSE's) with the exception of mortgage backed securities (MBS), which are prohibited.

Specific listing:

Federal Home Loan Bank - FHLB  
Federal Farm Credit Bank - FFCB  
Government National Mortgage Association - GNMA  
Federal Home Loan Mortgage Corporation - FHLMC  
Federal National Mortgage Association - FNMA  
Federal Agricultural Mortgage Corporation - FAMC  
Tennessee Valley Authority - TVA

\* Other issuers may qualify if they meet the above criteria.

- Banker's acceptances purchased on the secondary market rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. A-1+, A1+, or P-1. If the banker's acceptance is rated by more than two NRSROs., it must have the highest rating from all the organizations. Banker's Acceptances are considered illiquid as there is no active secondary market for these securities.
- Commercial Paper, provided that the Finance Director adheres with the policies and procedures of the State Investment Board regarding commercial paper (RCW 43.84.080(7)), including the following:
  - Must have the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. A-1+, A1+, or P-1.
  - Must be approved by the Investment Committee.
  - Purchases of commercial paper issued by a firm on negative credit watch is prohibited.
  - Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.
- Certificates of deposit with financial institutions qualified by the Washington Public Deposit Protection Commission;
- Local Government Investment Pool, for proceeds of bonds, liquidity funds or other debt obligations;

**City of Kirkland**  
**Investment Policy**  
**Adopted by Resolution (R-4797) on January 5, 2010**

- Obligations of the State of Washington or its political sub-divisions with the following guidelines:
  - Limited to securities which have one of the two highest rating categories by two of the NRSROs. Requiring AA- or better from Fitch and Standard & Poors and a Aa3 by Moodys
  - Purchases of any security on negative credit watch is prohibited.
  - Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.
  
- Obligations of a state other than the State of Washington or its political sub-divisions, with the following guidelines:
  - Limited to securities which have one of the two highest rating categories by two of the NRSROs. Requiring AA- or better from Fitch and Standard & Poors and a Aa3 by Moodys
  - Purchases of any security on negative credit watch is prohibited.
  - Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.
  
- Repurchase Agreements. The City does not actively invest in repurchase agreements for short term investments. However, if a repurchase agreement is utilized collateralization is required. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be (102%) of market value of principal and accrued interest. Re-pricing of the collateral should occur daily.

The City chooses to limit the collateral to Treasury and GSE Agency securities only, with a maximum maturity of three years.

Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.

If the City chooses to invest in repurchase agreements, only primary dealers are to be used as counterparties to repurchase agreements, short term credit rating must be the highest credit rating, A-1 or the equivalent and a long term rating of A or the equivalent, the approved Bond Market Association's master repurchase agreement must be executed and on file prior to entering into these transactions and the maximum term for a repurchase agreement shall be limited to 30 days.

- The City is prohibited from purchasing securities that leverage the portfolio or are used for speculation on interest rates.

**City of Kirkland**  
**Investment Policy**  
**Adopted by Resolution (R-4797) on January 5, 2010**

**10.0 Investment Pools / Mutual Funds**

The City is allowed to invest in the Washington State Local Government Investment Pool as authorized by City of Kirkland Resolution 3370. The City is restricted from investing in mutual funds by State Statute.

**11.0 Safekeeping and Custody**

All security transactions, including collateral for repurchase agreements, entered into by the City of Kirkland will be conducted on a delivery-versus-payment (DVP) basis. Securities will be held in safekeeping by a third party custodian designated by a member of the Investment Committee.

**12.0 Diversification**

The City will diversify its investments by security type and institution so that reliance on any one issuer or financial institution will not place an undue financial burden on the City. The City's policy is to assure that no single institution or security is invested to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency.

The following table provides maximum portfolio and issuer limit guidelines for the eligible securities which shall be complied with at the time of a security purchase, unless an exception waiver is approved by the Investment Committee. However, no sale of securities shall be required to meet revised limits due to a decrease in the total size of the portfolio.

| Investment                                | Percent of Fund | Percent Per Issuer | Maturity |
|---|-----------------|--------------------|----------|
| US Treasury Obligations                   | 100             | 100                | 5 Years  |
| US Agency Obligations                     | 100             | 30                 | 5 Years  |
| Callable Agency Securities                | 50              | 30                 | 5 Years  |
| State or Political Subdivision Securities | 20              | 5                  | 5 Years  |
| Certificates of Deposits                  | 10              | 5                  | 1 year   |
| Bankers Acceptances                       | 5               | 5                  | 180 days |
| A-1/P-1 Commercial Paper                  | 5               | 5                  | 180 days |

Special funds may have maturities in excess of stated guidelines due to specific fund objectives.

**City of Kirkland**  
**Investment Policy**  
Adopted by Resolution (R-4797) on January 5, 2010

**13.0 Maximum Maturities**

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, or estimated to cash flow needs, the City will not directly invest in securities maturing more than five (5) years from the date of settlement.

The maximum weighted average maturity (WAM) of the total portfolio shall not exceed 3 years. This maximum is established to limit the portfolio to excessive market exposure. The WAM refers to the final WAM not the effective WAM.

Reserve or Capital Improvement Project monies may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

**14.0 Internal Control**

On an annual basis, the Investment Committee, in conjunction with the State Auditor's Office, will evaluate conformance with the Investment Policy and audit internal controls. The purpose of these examinations shall be to audit the accountability of the City's Investment Portfolio and to verify that Investment Officials have acted in accordance with the investment policies and procedures. Should the Investment Procedures be in conflict with the Investment Policy, the Investment Policy is the final authority.

**15.0 External Control**

The City will have an external review of the investment policy and procedures every three (3) years. The City may enter contracts with third-party investment advisory firms when their services are required.

**16.0 Performance Standards**

The portfolio shall be managed to obtain a fair rate of return, keeping in mind the primary objectives of protecting the City's capital and assuring adequate liquidity to meet cash flow needs.

For purposes of this policy, "fair rate of return" will be a band between the average yield of the ninety-day Treasury bill and the 2-year Treasury note for the period of time being evaluated. The goal is for the portfolio to generally perform within or above the band.

**City of Kirkland**  
**Investment Policy**  
Adopted by Resolution (R-4797) on January 5, 2010

**17.0 Reporting Requirements**

17.1 The Finance Director shall prepare a quarterly and annual investment report summarizing the activity of the investment portfolio as to types of investments, yields, maturities and other related data.

17.2 Monthly reports will be submitted to the Investment Committee that report market value changes and investment income.

17.3 Additional reporting requirements are outlined in the Investment Procedures.

**18.0 Investment Policy Adoption**

The City's investment policy shall be adopted by City Council. The policy shall be reviewed annually by the Investment Committee. Any modifications shall be submitted and approved by City Council.

**City of Kirkland**  
**Investment Policy**  
Adopted by Resolution (R-4797) on January 5, 2010

**GLOSSARY**

**BANKERS' ACCEPTANCES (Bas)** – Bankers Acceptances are a form of a loan used in import-export financing transactions which becomes negotiable when accepted by a bank. The issuing bank is liable for the payment at its maturity. Terms vary but normally they are under six months and are purchased on a discount basis.

**BROKER** – A middleman who brings buyers and sellers together and handles their orders generally charging a commission for their services.

**CERTIFICATES OF DEPOSIT** – Instruments issued by a bank specifying that a sum of money has been deposited, payable with interest to the bearer of the certificate on a certain date.

**COMMERCIAL PAPER** - A short – term promissory note issued by a bank holding company, for the purpose of financing current transactions. Issues are sold on a discount basis with maturities up to 270 days.

**DELIVERY VS PAYMENT** – Physical delivery of collateral securities or book entry control in exchange for the cash payment. Under this system funds are not transferred until the securities are delivered. If a third party acts as custodian, funds are released by the custodian only when delivery is accomplished.

**DEPOSITORY** – A bank or financial institution accepting cash deposits and investments.

**DIVERSIFICATION** – Dividing available funds among a variety of securities and institutions so as to minimize market risk.

**DURATION** - The number of years required to receive the present value of future payments, both of interest and principle, of a bond, often used as an indicator of a bond's price volatility resulting from changes in interest rates.

**FEDERAL CREDIT AGENCIES** - Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

**FEDERAL HOME LOAN BANKS (FHLB)** - The 12 Federal Home Loan Banks are a system of regional banks from which local lending institutions everywhere in America borrow funds to finance housing, economic development, infrastructure and jobs. About 80 percent of U.S. lending institutions rely on the Federal Home Loan Banks. Because the Federal Home Loan Banks are cooperatives, their low costs are passed on to consumers and communities.

**City of Kirkland**  
**Investment Policy**  
Adopted by Resolution (R-4797) on January 5, 2010

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA, or Fannie Mae)** - FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE)** - Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA, or FMHM mortgages. The term passthroughs is often used to describe Ginnie Maes.

**GOVERNMENT SPONSORED ENTERPRISES (GSE's)** - A group of financial services corporations created by the United States Congress. Their function is to reduce interest rates for specific borrowing sectors of the economy, farmers, and homeowners. The mortgage borrowing segment is by far the largest of the borrowing segments that the GSE's operate in.

**LIQUIDITY** - The length of time required to convert any investment to cash.

**LOCAL GOVERNMENT INVESTMENT POOL (LGIP)** – The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

**MARKET VALUE** – The market value of a security is the price at which the last sale of the same issue was sold.

**MATURITY** – The date upon which the principal or stated value of an investment becomes due.

**PRINCIPAL** – The cost of an instrument on which interest is earned.

**REPURCHASE AGREEMENT** – Range in maturity from overnight to fixed time to open end. Repo's involve a simultaneous sale of securities by a bank or government securities dealer to a city with an agreement for the bank to repurchase the securities at a fixed date at a specified rate of interest.

**SAFEKEEPING** – An arrangement under which an organization's securities are kept in a bank vault or in the case of book entry securities, are held and recorded in the customer's name. Evidence of this arrangement is a safekeeping receipt.

**City of Kirkland**  
**Investment Policy**  
**Adopted by Resolution (R-4797) on January 5, 2010**

**SEC RULE 15c3-1** - An SEC rule that sets minimum net capital requirements for broker-dealers. Firms are expected to have liquid assets equal to or greater than a certain percentage of total liabilities. If the ratio falls below this minimum, the broker-dealer may face restrictions on soliciting new business or on keeping existing business. See UNIFORM NET CAPITAL RULE.

**SECONDARY MARKET** – A market where certain securities may be bought and sold at prevailing market prices after their initial distribution but before their state maturity date.

**TREASURY BILLS** – Short-term marketable securities issued by the U.S. Treasury and secured by the Federal Government and have maximum liquidity.

**TREASURY NOTES AND BONDS** – These are direct obligations of the U.S. Government with maturities from one to ten years on the notes and 10 to 30 years on the bonds.

**UNIFORM NET CAPITAL RULE** - Securities & Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities. Liquid capital includes cash and assets easily converted into cash.

**WEIGHTED AVERAGE MATURITY** - The average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio. Weighted average maturity measures the sensitivity of fixed-income portfolios to interest rate changes. Portfolios with longer WAMs are more sensitive to changes in interest rates because the longer a bond is held, the greater the opportunity for interest rates to move up or down and affect the performance of the bonds in the portfolio.

**EFFECTIVE WEIGHTED AVERAGE MATURITY** - For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer.

For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called.

**YIELD** – The rate of annual return on an investment expressed as a percentage.

RESOLUTION R-4797

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING A REVISED POLICY FOR INVESTMENT OF CITY FUNDS.

WHEREAS, the City Council of the City of Kirkland deems to have City funds invested in secure depositories and maximize returns on these investments; and

WHEREAS, the City Council of the City of Kirkland desires to develop an investment policy to guide the investment of City funds to meet these objectives; and

WHEREAS, the Kirkland City Treasurer (Deputy Director of Finance) has recommended revisions to the policy for investment of City funds; and

WHEREAS, the City of Kirkland investment policy has been written in accordance with the Washington Municipal Treasurers Model Investment Policy.

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The policy for investment of City funds set forth in the document entitled "City of Kirkland Investment Policy September 29, 2009" which is attached hereto as Attachment A and incorporated herein by this reference as if set forth in full is hereby adopted as official policy for investment of City funds.

Section 2. That the document entitled City of Kirkland Investment Policy September 29, 2009, replaces all previous City of Kirkland Investment Policies.

Passed by majority vote of the Kirkland City Council in open meeting this 5th day of January, 2010.

Signed in authentication thereof this 5th day of January, 2010.

MAYOR

Attest:

  
City Clerk

# DEBT MANAGEMENT POLICY



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**City of Kirkland**  
**Debt Management Policy**  
**Adopted by Resolution (R-4837) on September 21, 2010**

The Debt Policy for the City of Kirkland (City) is established to help ensure that all debt is issued both prudently and cost effectively. The Debt Policy sets forth guidelines for the issuance and management of all financings of the City. Adherence to the policy is essential to ensure that the City maintains a sound debt position and protects the credit quality of its obligations while providing flexibility and preserving financial stability.

1.0 Uses of Debt

- 1.1 City of Kirkland uses debt as a mechanism to equalize the costs of needed capital improvements for the benefit of both present and future citizens;
- 1.2 City of Kirkland uses debt as a mechanism to reduce the immediate costs of substantial public improvements.
- 1.3 The City of Kirkland will not use long-term debt to support current operations.
- 1.4 Long-term borrowing will only be used for capital improvements that cannot be financed from current revenues.
- 1.5 Non-capital furnishings, supplies, and personnel will not be financed from bond proceeds.
- 1.6 Interest, operating, and/or maintenance expenses will be capitalized only for enterprise activities and will be strictly limited to those expenses incurred prior to actual operation of the facilities.

2.0 Debt Limits

2.1 Legal Limits:

- 2.1.1 The general obligation debt of Kirkland will not exceed an aggregated total of 7.5% of the assessed valuation of the taxable property within the City. RCW 39.36.020
- 2.1.2 The following individual percentages shall not be exceeded in any specific debt category:
  - General Debt - 2.5% of assessed valuation
    - Non-Voted 1.5% Limited Tax General Obligation (LTGO) Bonds
    - Voted 1.0% Unlimited Tax General Obligation (UTGO) Bonds
  - Utility Debt - 2.5% of assessed valuation
  - Open Space and Park Facilities - 2.5% of assessed valuation

2.2 Public Policy Limits:

- 2.2.1 The City will establish and implement a comprehensive multi-year Capital Improvement Program (CIP).
- 2.2.2 Financial analysis of funding sources will be conducted for all proposed capital improvement projects.
- 2.2.3 Debt will be issued in accordance with the CIP as necessary.
- 2.2.4 Where borrowing is recommended, the source of funds to cover debt service requirements must be identified.

**City of Kirkland**  
**Debt Management Policy**  
**Adopted by Resolution (R-4837) on September 21, 2010**

2.2.5 The City, as determined by the City Council, may consider using long term debt toward public improvements, which have an identified public benefit to the City, associated with economic development to the extent that new revenues from the project, in excess of those identified by the City Council for other City purposes can be agreed upon to support the debt service.

2.3 Financial Limits:

2.3.1 The City's policy is to plan and direct the use of debt so that debt service payments will be a predictable and manageable part of the Operating Budget.

2.3.2 The City will conduct a debt affordability analysis to evaluate the City's ability to support debt. The analysis will review available resources for the amount of debt the City can initiate each year, and project the effects of that financing through six years of the CIP.

3.0 Allowable Types of Debt

3.1 Short Term Obligations: Short-term borrowing will only be used to meet the immediate financing needs of a project for which long-term financing has been secured but not yet received. The City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of the funds will not impact the fund's current operations. All interfund loans will be subject to Council approval, will bear interest based upon prevailing rates and have terms consistent with state guidelines for interfund loans.

3.2 Assessment/ LID Bonds: Assessment bonds will be considered in place of general obligation bonds, where possible, to assure the greatest degree of public equity. Local Improvement District (LID) Bonds represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the City. LID's are formed by the City Council after a majority of property owners agree to the assessment.

3.3 General Obligation Bonds Limited Tax: General Obligation debt is backed by the full faith and credit of the City and is payable from General Fund revenues and taxes collected by the City. Limited Tax General Obligation (LTGO) Bonds can be issued with the approval of the City Council and will only be issued if:

A project requires funding not available from alternative sources;

Matching fund monies are available which may be lost if not applied for in a timely manner; or Emergency conditions exist.

3.4 General Obligation Bonds Unlimited Tax: Unlimited Tax General Obligation (UTGO) Bonds are payable from excess tax levies and is subject to voter approval by 60% of the voters.

3.5 Revenue Bonds: Revenue bonds are used to finance construction or improvements to facilities of enterprise systems operated by the City in accordance with the Capital Improvement Program and are generally payable from the enterprise. No taxing power or general fund pledge is provided as security. Unlike general obligation bonds, revenue bonds are not subject to the City's statutory debt limitation nor is voter approval required.

3.6 Leases: Lease purchase or financing contracts are payment obligations that represent principal and interest components which are general obligations of the City.

**City of Kirkland**  
**Debt Management Policy**  
**Adopted by Resolution (R-4837) on September 21, 2010**

3.7 Other Loan Programs:

3.7.1 Public Works Trust Fund Loans are loans from the Public Works Board, authorized by state statute, RCW 43.155 to loan money to repair, replace, or create domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste and recycling facilities, and bridges.

3.7.2 The Local Option Capital Asset Lending (LOCAL) Program is a financing contract with the Office of the State Treasurer under RCW 39.94. It is an expanded version of the state agency lease/purchase program that allows pooling funding needs into larger offerings of securities. This program allows local government agencies the ability to finance equipment needs through the State Treasurer's office, subject to existing debt limitations and financial consideration.

3.7.3 Other state funded programs.

3.8 Alternative types of debt: No variable-rate debt or derivative products shall be utilized.

4.0 Debt Structuring Practices

4.1 Maximum term, Payback Period and Average maturity:

4.1.1 The issuance of bonds shall be financed for a period not to exceed a conservative estimate of the asset's useful life with the average life of the bonds less than or equal to the average life of the assets being financed.

4.1.2 General Obligation bonds will be issued with maturities of 30 years or less unless otherwise approved by Council.

4.1.3 The maturity of all assessment bonds shall not exceed statutory limitations. RCW 36.83.050.

4.2 Debt Service Structure:

4.2.1 Unless otherwise justified and deemed necessary, debt service should be structured on a level or declining repayment basis.

4.3 Criteria for issuance of advance refunding and current refunding bonds

4.3.1 The City will use refunding bonds, where appropriate, when restructuring its current outstanding debt. A debt refunding is a refinance of debt typically done to take advantage of lower interest rates. Unless otherwise justified, such as a desire to remove or change a bond covenant, a debt refunding will not be pursued without a sufficient net present value benefit after expenses.

4.4 Other structuring practices:

4.4.1 Bond amortization schedules will be structured to minimize interest expense with the constraints of revenues available for debt service. The bonds should include call features to maximize the City's ability to advance refund or retire the debt early. However, call features should be balanced with market conditions to ensure that the total cost of the financing is not adversely affected.

**City of Kirkland**  
**Debt Management Policy**  
**Adopted by Resolution (R-4837) on September 21, 2010**

5.0 Debt Issuance Practices

- 5.1 Council Approval: City Council approval is required prior to the issuance of debt.
- 5.2 Analytical Review: An analytical review shall be conducted prior to the issuance of debt including, but not limited to, monitoring of market opportunities and structuring and pricing of the debt.
- 5.3 Use of credit ratings, minimum bond ratings, determination of the number of ratings and selection of rating services: The City will continually strive to maintain its bond rating by improving financial policies, budget, forecasts and the financial health of the City so its borrowing costs are minimized and its access to credit is preserved. The City will maintain good communication with bond rating agencies about its financial condition, coordinating meetings, and presentations in conjunction with a new issuance as necessary.
- 5.4 Compliance with Statutes and Regulations: The Finance Director, City Attorney and bond counsel shall coordinate their activities and review all debt issuance to ensure that all securities are issued in compliance with legal and regulatory requirements by the State of Washington and the Federal Government's laws, rules and regulations.
- 5.5 Selection and use of professional service providers:
- 5.5.1 The City's Finance and Administration Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt program.
- 5.5.2 Bond Counsel: All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt. The opinion shall include confirmation that the City has met all city and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt.
- 5.5.3 Financial Advisor: A Financial Advisor(s) may be used to assist in the issuance of the City's debt. The Financial Advisor will provide the City with the objective advice and analysis on debt issuance. This includes, but is not limited to, monitoring of market opportunities, structuring and pricing of debt, and preparing official statements of disclosure.
- 5.5.4 Underwriters: An Underwriter(s) will be used for all debt issued in a negotiated or private placement sale method. The Underwriter is responsible for purchasing negotiated or private placement debt and reselling the debt to investors.
- 5.5.5 Fiscal Agent: A Fiscal Agent will be used to provide accurate and timely securities processing and timely payment to bondholders. In accordance with RCW 43.80, the City will use the Fiscal Agent that is appointed by the State.
- 5.6 Criteria for determining sales method and investment of proceeds:
- 5.6.1 The Director of Finance and Administration shall determine the method of sale best suited for each issue of debt.
- 5.6.2 The City will generally issue its debt through a competitive process. For any competitive sale of debt, the City will award the issue to the underwriter offering to buy the bonds at a price and interest rates that provides the lowest True Interest Cost (TIC).

**City of Kirkland**  
**Debt Management Policy**  
**Adopted by Resolution (R-4837) on September 21, 2010**

- 5.6.3 The City will provide for the sale of debt by negotiating the terms and conditions of sale when necessary to minimize the cost and risks of borrowing under the following conditions:
- i. The bond issue is, or contains, a refinancing that is dependent on market/interest rate timing.
  - ii. At the time of issuance, the interest rate environment or economic factors that affect the bond issue are volatile.
  - iii. The nature of the debt is unique and requires particular skills from the underwriter(s) involved.
  - iv. The debt issued is bound by a compressed time line due to extenuating circumstances such that time is of the essence and a competitive process cannot be accomplished.

5.7 Bond Insurance: For each issue, the City will evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancement purchases by the City shall be competitively procured.

## 6.0 Debt Management Practices

### 6.1 Investment of Bond Proceeds

The City shall comply with all applicable Federal, State and contractual restrictions regarding the investment of bond proceeds, including City of Kirkland Investment Policy.

### 6.2 Continuing Disclosure

The City shall provide annual disclosure information to established national information repositories and maintain compliance with disclosure statements as required by state and national regulatory bodies. Disclosure shall take the form of the Comprehensive Annual Financial Report (CAFR) unless information is required by a particular bond issue that is not necessarily contained within the CAFR.

### 6.3 Arbitrage Rebate monitoring and filing

The City will, unless otherwise justified, use bond proceeds within the established time frame pursuant to the bond ordinance, contract or other documents to avoid arbitrage. Arbitrage is the interest earned on the investment of the bond proceeds above the interest paid on the debt. If arbitrage occurs, the City will follow a policy of full compliance with all arbitrage rebate requirements of the federal tax code and Internal Revenue Service regulations, and will perform (internally or by contract consultants) arbitrage rebate calculations for each issue subject to rebate. All necessary rebates will be filed and paid when due in order to preserve the tax-exempt status of the outstanding debt.

### 6.4 Federal and state law compliance practices

Discussed in Debt Issuance Practices sections 5.3 and 5.4 and Debt Management Practices sections 6.1 and 6.3.

### 6.5 Market and investor relations efforts

The City shall endeavor to maintain a positive relationship with the investment community. The City shall communicate through its published Biennial Budget, Capital Improvement Program and Comprehensive Annual Financial Statements the City's indebtedness as well as its future financial plans.

### 6.6 Periodic review

The City's debt policy shall be adopted by City Council. The policy shall be reviewed every four years by the Council Finance Committee and modifications shall be submitted to and approved by City Council.

RESOLUTION R-4837

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING A REVISED POLICY FOR THE MANAGEMENT OF THE CITY'S DEBT.

WHEREAS, the City Council of the City of Kirkland deems to ensure that all debt is issued both prudently and cost effectively; and

WHEREAS, the City Council of the City of Kirkland desires to set forth guidelines for the issuance and management of all financings of the City; and

WHEREAS, the Kirkland City Treasurer (Deputy Director of Finance) has recommended revisions to the debt management policies; and

WHEREAS, the City of Kirkland debt management policy has been written in accordance with the Association of Public Treasurers of the United States & Canada (APT US&C) guidelines.

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The policy for the management of the City's debt set forth in the document entitled "City of Kirkland Debt Management Policy September 1, 2010," which is attached hereto and incorporated herein by this reference as if set forth in full is hereby adopted as official policy for the management of the City's debt.

Section 2. That the document entitled City of Kirkland Debt Management Policy September 1, 2010, replaces all previous City of Kirkland Debt Management Policies.

Passed by majority vote of the Kirkland City Council in open meeting this 21st day of September, 2010.

Signed in authentication thereof this 21st day of September 2010.

  
MAYOR

Attest:

  
City Clerk

# RESERVE REPLENISHMENT PRINCIPLES



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RESOLUTION R-4900

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ESTABLISHING RESERVE REPLENISHMENT PRINCIPLES.

WHEREAS, reserves are an integral part of the City's financial planning strategy and provide a tangible external measure of financial strength; and

WHEREAS, maintaining reserves is a best practice in government financial management and the Government Finance Officers Association (GFOA) has published best practice guidelines, including "Replenishing Fund Balance in the General Fund"; and

WHEREAS, the economic downturn that began in 2008 resulted in the planned use of over \$4 million dollars in reserves to help smooth the transition to lower revenue and service levels; and

WHEREAS, revenues appear to be stabilizing and the 2011-2012 budget was balanced without the use of reserves, however, the continued discussion of the process for replenishing those uses needs to be a priority;

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The City Manager is hereby authorized and directed to implement the Reserve Replenishment Principles as outlined in the attached "Exhibit 1" dated October 18, 2011.

Section 2. The City Manager is further authorized and directed to incorporate the Reserve Replenishment Principles as outlined in attached "Exhibit 1" into the reserve fiscal policies during the next update for the 2013-2014 budget.

Section 3. The City Manager is further authorized and directed to provide updated reserve targets for Council review and adoption by April 30, 2012, for incorporation into the reserve fiscal policies for the 2013-2014 budget.

Passed by majority vote of the Kirkland City Council in open meeting this 18th day of October, 2011.

Signed in authentication thereof this 18th day of October, 2011.

  
MAYOR

Attest:

  
City Clerk

## Exhibit 1: Reserve Replenishment Principles – October 18, 2011

Reserve replenishments occur in two ways during periods of economic recovery:

- Planned - A specific amount is included in the adopted budget, and
- Unplanned - Ending fund balances are higher than budgeted, either due to higher than budgeted revenues or under-expenditures.

Planned amounts are included as part of the adopted budget. **Planned replenishments toward 80% of the target level shall be set to at least 1% of the General Fund adopted budget.**

Unplanned amounts available at the end of each biennium (if any) should help replenish to target faster. A high percentage (up to all) uncommitted funds available at the end of a biennium should be used for reserve replenishment until reserves meet 80% of target and the revenue stabilization reserve is at 100% of target. Some or all of those unplanned funds may be used in place of planned (budgeted) amounts in the following biennium to the extent it meets or exceeds the 1% budgeted amount.

Once reserves reach 80% of target and revenue stabilization reserve is at 100%, funds may be used to meet other one time or on-going needs. Additional funds should be used to fund a variety of needs, based on the following process:

- Set 50% of available cash toward reserves until they are at 100% of target. The remaining 50% shall be available for one or more of the following needs, depending on the nature of the funds available (one-time or on-going) and in the following order of priority (see flowchart on the following page):
  - Fund liabilities related to sinking funds for public safety and information technology equipment,
  - Maintain current service levels,
  - Fund one-time projects or studies,
  - Increase funding for capital purposes,
  - Restore previous program service reductions,
  - Potential program/service enhancements.

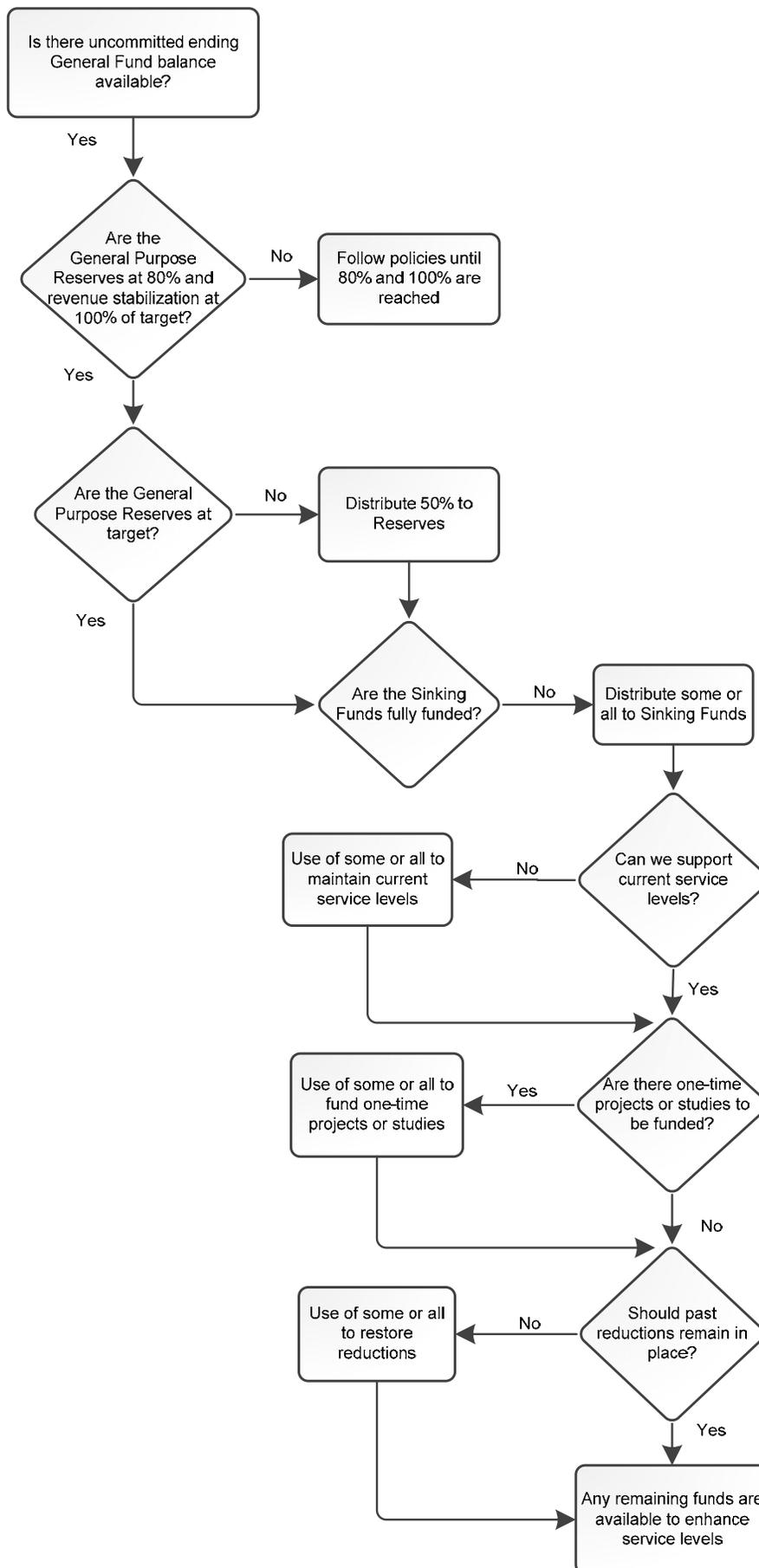
In terms of priority for replenishing the individual reserves, the following guidelines shall be used:

- If the Council Special Projects reserve is below target, replenish to target at the start of each biennium.
- If the revenue stabilization reserve is below target, prioritize replenishing the reserve.
- To the extent cash is from volatile revenues above budgeted amounts, those funds should be applied to revenue stabilization reserve first.
- If unplanned funds are available because planned reserve uses did not occur, those funds should be returned to the source reserve.
- The source of uncommitted funds should be taken into consideration (for example, interest earnings over budget could be applied to the capital contingency, since they are one of the designated sources for this reserve).
- The degree to which an individual reserve is below target (for example, the reserve that is furthest from its target level on a percentage basis might receive a larger share of the funds).

Decisions on how replenishments are allocated to specific reserves will be based on where available funds came from and on each reserve's status at the time the decision is made.

The replenishment policy will provide a mechanism whereby Council may take action to suspend replenishment policies if it was found that special conditions existed warranting such action.

### Decision Making Process for Unplanned Fund Balances if Reserves are Greater Than 80% of Target





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# GLOSSARY



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**CITY OF KIRKLAND**

***GLOSSARY OF BUDGET TERMS***

**ACCOUNT NUMBER**

Kirkland utilizes an account structure that conforms to the state BARS (Budgeting, Accounting, and Reporting System) requirements. The account number is separated into the following parts:

XXX -- XXX -- XXXX \* X -- XX -- XXXX  
FUND DEPT FUNCTION CLASS CATEGORY ELEMENT

**FUND** groups indicate a discrete set of revenues and expenditures. Funds help maintain financial records of transactions. By state law, cities must balance revenues and expenditures at the fund level. BARS assigns the fund groups and the City assigns specific fund numbers. For example, all funds in the 100 group are special revenue funds while Fund 154 is Kirkland's Cemetery Improvement Fund.

**DEPARTMENT/DIVISION** numbers indicate the organizational unit making an expenditure. For example, the Fire and Building Department uses all codes in the 900 group and the Training Division within the Fire and Building Department uses the number 940. Revenue accounts do not contain department numbers; instead, the code 000 occupies the department/division slot. BARS does not dictate department/division numbers.

**FUNCTION** codes indicate the governmental function associated with an expenditure and are assigned by BARS. For example, an expenditure account with the function code 1880 indicates that the expenditure is related to data processing. Revenue accounts do not contain function codes; instead, the code 0000 occupies the function slot.

**CLASS** indicates the type of activity, with a 3 indicating revenue and a 5 designating expenditures. These numbers are assigned by BARS.

**CATEGORY** describes the "what" of the transaction. For expenditures the category indicates the specific item purchased or services obtained. For revenues the category indicates

the source from which the revenues are obtained. For example, an expenditure with a category of 31 would be the purchase of office and operating supplies. Revenue with a category of 11 would indicate property tax.

**ELEMENT** is a further segregation of the Category information.

**ACCURAL BASIS**

An accounting basis which recognizes transactions when they occur. An organization records expenses when the liability occurs and posts revenues when they are earned. The Water/Sewer, Surface Water, Equipment Rental, and Information Technology Funds prepare year-end reports on the accrual basis. Kirkland uses a modified accrual basis of accounting for the reporting of all other funds. The budget is prepared on a cash basis (see later glossary entry).

**ACTUAL**

Denotes final audited revenue and expenditure results of operations for fiscal year(s) indicated.

**APPROPRIATION**

Through an appropriation ordinance, the City Council legally authorizes the City to spend money and to incur obligations for specific purposes. Budgetary/Operating fund appropriations lapse at the end of each biennium. Non-operating fund appropriations, on the other hand, continue in force until fully expended or until the City has accomplished or abandoned the purpose for which the Council granted the funds. Spending cannot exceed the level of appropriation without the Council's approval.

**ASSESSED VALUATION**

When the King County Assessor's Office determines the value of both real (land and buildings) and personal property, it arrives at the assessed valuation of the property. The

County uses this value to compute property taxes.

#### **ASSET**

Property owned by the government and resources owned or held by a government that has monetary value.

#### **BARS**

The State of Washington Budgeting, Accounting, and Reporting System required for all governmental entities in the state.

#### **BASIC BUDGET**

Kirkland develops its basic budget when it estimates how much it will cost to continue providing the existing ongoing level of service in the next biennium. The basic budget incorporates mandatory increases due to inflation or contract obligations.

#### **BIENNIAL BUDGET**

The City's financial operating plan for the next two fiscal years. Washington state law requires that the first year of a biennial budget be an odd-numbered year. Accordingly, the preparation of the biennial budget falls on an even-numbered year.

#### **BIENNIUM**

A two-year period.

#### **BENEFITS**

City-paid benefits provided for employees, such as Social Security, retirement, worker's compensation, life insurance, and medical insurance.

#### **BOND**

A bond is a written promise to pay a specified sum of money (called the face value or principal amount) at a specified date or dates in the future (called the maturity date) together with period interest at a specified rate. Kirkland uses the sale of bonds to finance some of its large capital projects.

#### **BOND RATING**

When the City issues debt, a thorough review of the City's financial condition is completed by

bond rating agencies. Based on their findings, the bonds are given a rating. The City's bond rating is a reflection of its creditworthiness and affects the cost to the City of issuing debt. There are two rating agencies -- Standard and Poor's (S&P) and Moody's Investor Service -- that rate Kirkland's bonds. As of January 2003, the City's ratings were AA (S&P) and Aa2 (Moody's).

#### **BUDGET**

As the City's financial operating plan for the fiscal biennium, the budget displays the estimated expenditures (costs) for providing services and the estimated sources of revenue (income) to pay for them. Once the City Council appropriates the fund totals shown in the budget, the totals become maximum spending limits. By state law, the City must balance its budget with expenditures equaling available revenues. RCW 35A.33 contains the legal authority and requirements for Kirkland's budget.

#### **BUDGET MESSAGE**

A general discussion of the proposed budget as presented in writing by the City Manager to the legislative body.

#### **CASH BASIS**

A basis of accounting where revenues are recorded when the cash is received and expenditures are recorded when paid. Kirkland prepares its budget on a cash basis.

#### **CAPITAL IMPROVEMENT PROGRAM (CIP)**

The plan or schedule of expenditures and funding sources for major construction of roads, sidewalks, City facilities, and water/sewer systems, and for the purchase of equipment. Kirkland's CIP follows a six-year schedule and includes projects which cost \$50,000 or more to complete. These projects become fixed assets and, with the exception of certain equipment, have a useful life of ten years or more. Although the City adopts the CIP budget in a process which is separate from the adoption of the biennial budget, the biennial budget incorporates the first and second years of the program.

**CAPITAL OUTLAY**

Expenditures for furnishings, equipment, vehicles, or machinery with an individual value greater than \$10,000 and a useful life of more than one year.

**CAPITAL PROJECT**

The acquisition, construction, improvement, replacement or renovation of land, structures and improvements thereon, and equipment. When the City Council authorizes a capital project, it adopts a capital project budget which continues until the project is complete.

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

A general purpose, federal grant primarily used to facilitate the production and preservation of low and moderate income housing and programs.

**CONTINGENCY**

Kirkland appropriates money to these reserve funds which it can use in the future should specific budget allotments run out and the City needs additional funds. Contingency funds are especially useful when emergencies arise that require the City to make unforeseen expenditures.

**COUNCILMANIC DEBT**

Debt which the City Council approves, but which does not require voter approval.

**CREDIT RATING**

The credit worthiness of a governmental unit as determined by an independent rating agency. The City of Kirkland is rated by two rating agencies: 1) Moody's Investor Service and 2) Standard and Poor's.

**DEBT CAPACITY**

The amount of debt which the City can issue given legal limits and fiscal policies. Debt capacity is calculated based on a percentage of the total assessed city property valuation plus the net of current assets and liabilities.

**DEBT SERVICE**

The annual payment of principal and interest on the City's bonded indebtedness.

**DEFICIT**

An excess of expenditure over revenue.

**DEPARTMENT**

To facilitate organizational and budgetary accountability, Kirkland breaks its funds into departments. Each department serves a specific function as a distinct organizational unit of city government.

**DEPRECIATION**

An accounting recognition that reduces a portion of the original cost of a business asset over several years as the value of the asset decreases.

**DIVISION**

As subdivisions of departments, divisions are budgetary or organizational units of government with limited sets of work responsibilities within their department. Divisions also serve to increase budget accountability.

**ENCUMBRANCES**

The amount of funds committed to vendors for goods or services received or to be received by the City as specified in a City purchase order.

**ENTERPRISE FUND**

An accounting entity which the City uses to record and report transactions for its business-type activities. All expenditures must be supported by income dedicated to the fund. The most common enterprise funds are utility funds.

**EXPENDITURE**

The payment for goods and services. On the cash-basis, expenditures are recognized only when the payments are made for the cost of goods received or services rendered.

**FEES**

A general term for any charge for services levied by government associated with providing a

service or permitting an activity. Major types of fees include business licenses and user charges.

#### **FINES AND FORFEITURES**

Revenue category which primarily includes court, police, traffic and parking fines, and forfeitures.

#### **FISCAL POLICY**

The City's policies with respect to revenues, spending, and debt management as these relate to government services, programs, and capital investment. Fiscal policy provides an agreed upon set of principles for the planning and programming of government budgets and their funding.

#### **FISCAL YEAR**

The twelve-month period which an organization designates as its operating year. In Kirkland, the fiscal year coincides with the calendar year. The City prepares a biennial budget for a period of two fiscal years, beginning in an odd-numbered year.

#### **FIXED ASSETS**

A long-term tangible piece of property that the City owns and is not expected to be consumed or converted into cash any sooner than at least one year's time.

#### **FULL-TIME EQUIVALENT (FTE)**

Kirkland budgets its employee positions in terms of the work year of a regular, full-time employee. For example, when the City budgets a position full-time for only six months, that position is 0.5 FTE. Likewise, a half-time position budgeted for a full year is also 0.5 FTE. A full-time position is 1.00 FTE.

#### **FUND**

Municipal governments organize and operate their accounting systems on a fund basis. The formal definition of the fund is an independent financial and accounting entity with a self-balancing set of accounts in which cities record financial transactions relating to revenues, expenditures, assets, and liabilities. Each fund must be budgeted independently with revenues equal to expenditures. With the exception of the General Fund, which accounts for general purpose activities and unrestricted revenue

sources, each fund has a unique funding source and purpose. By establishing funds, the City can account for the use of restricted revenue sources and carry on specific activities or pursue specific objectives.

#### **FUND BALANCE**

The cumulative difference between expenditures and revenue over the life of a fund. A negative fund balance is usually referred to as a deficit.

#### **GAAP (GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)**

Both industry and governments use Generally Accepted Accounting Principles as standards for accounting and reporting financial activity. The Governmental Accounting Standards Board (GASB) currently sets government GAAP. Adherence to GAAP assures that financial reports of all state and local governments - regardless of jurisdictional legal provisions and customs - contain the same type of financial statements and disclosures, for the same categories and types of funds and account groups, based on the same measurement and classification criteria.

#### **GASB 34**

Governmental Accounting Standards Board Statement 34 (GASB 34) sets requirements for the content and format of the annual financial report.

#### **GENERAL FUND**

The General Fund accounts for revenues and expenditures associated with ordinary City operations that are not required to be accounted for in another fund. Individual departments within the General Fund account for expenditures incurred to provide various general-purpose municipal services.

#### **GENERAL OBLIGATION BONDS**

Bonds for which the City pledges its full faith and credit (the general taxing power) for repayment. Debt Service is paid from property tax revenue levied (in the case of voter-approved bonds) or other general revenue (in the case of Councilmanic bonds).

**GRANT**

A transfer of county, state, or federal monies to the City, usually for specific programs or activities.

**INDIRECT COST**

Cost of centrally provided internal services for which there is a citywide benefit that cannot be readily identified to specific departments.

**INFRASTRUCTURE**

Long-lived capital assets that can be preserved for a significantly greater number of years than most capital assets and are stationary in nature.

**INTERFUND TRANSFERS**

When the City moves money between its various funds, it makes an interfund transfer.

**INTERGOVERNMENTAL REVENUES**

Revenues from other governments in the form of state shared revenue and grants.

**INTERNAL CONTROLS**

Policies and procedures established to provide reasonable assurance that specific government objectives will be achieved.

**INTERNAL SERVICE FUND**

An accounting entity which the City uses to record and report transactions for goods and services provided by one department to other City departments on a cost reimbursement basis. The City currently has three internal service funds, the Equipment Rental Fund, Facilities Fund and the Information Technology Fund.

**LEOFF**

The State of Washington's Law Enforcement Officers and Firefighters Retirement System.

**LEVY RATES**

The rate of tax to be imposed on the assessed value of real property for the computation of property tax revenues. (See also Property Tax Levy)

**LICENSES AND PERMITS**

Revenue category that includes building permits, business licenses, and any other miscellaneous licenses.

**LID**

In a Local Improvement District the City makes special assessments against certain properties to defray part or all of the cost of a specific improvement or service which it deems will primarily benefit those properties. The assessments can be paid in full or in installments over a set period of time.

**LINE-ITEM BUDGET**

In its biennial budget, Kirkland estimates revenues and expenditures at the line-item level. The line-item budget contains a great degree of detail since it indicates how the City spends its money and the sources from which it receives revenue. Examples of line items in Kirkland's budget are postage, uniforms and clothing, hourly wages, fuel, etc.

**MAINTENANCE**

The act of keeping capital assets in a state of good repair. It includes preventive maintenance, normal periodic repairs, replacement of parts, structural components and so forth, and other activities needed to maintain the asset so that it continues to provide normal services and achieves its optimum life.

**MODIFIED ACCRUAL BASIS**

Kirkland uses this basis of accounting for year-end reporting which is adapted to the governmental fund type spending. The City recognizes revenues when they become both "measurable" and "available" to finance expenditures of the current period (i.e., when it is received). The City recognizes an expenditure, other than accrued interest on general fiscal long-term debt, when it is incurred (i.e., an obligation is made).

**NONDEPARTMENTAL**

This department has the sole purpose of accounting for all expenditures that the City cannot specifically designate to any operating department within a fund. Examples of expenses in the area include shared paper products and support of outside organizations.

**NON-OPERATING BUDGET**

The non-operating budget contains non-operating funds which the City uses to finance projects with limited objectives and/or finite life spans. By law, these budgets do not lapse at the end of the biennium, but may be carried forward from year to year until the monies are fully expended or their purposes are accomplished or abandoned. As a matter of practice, Kirkland prepares biennial budgets for all non-operating funds. The non-operating budget accounts primarily for debt, reserves, and capital projects.

**OBJECTIVE**

A specific measurable achievement that may be accomplished within a specific time frame.

**OPERATING BUDGET**

The operating budget provides a plan for current expenditures and the proposed means of financing them. In a broader sense, the biennial operating budget is a statement of what services the municipality will deliver to its citizens.

**OPERATING REVENUES**

Funds that the government receives as income to pay for ongoing operations.

**ORDINANCE**

A formal legislative enactment by the Council or governing body of a governmental entity.

**PERFORMANCE INDICATOR**

Specific quantitative and qualitative measures of work performed as an indicator of specific department or program activity or accomplishment.

**PERFORMANCE MEASURE**

A measure of how well a particular result is being achieved. Indicators of program performance that are collected to show the impact of resources spent on city services directly tied to program results.

**PERS**

The State of Washington's Public Employees Retirement System for employees other than police and fire personnel.

**PERSONNEL SERVICES**

Expenditures which include salary costs, wages, and benefits, for full-time and part-time hourly employees and overtime expenses.

**PRELIMINARY BUDGET**

The recommended, but unapproved, biennial budget which the City Manager presents to the City Council and the public.

**PROGRAM BUDGET**

A program is made up of a group of similar services which have a common purpose. A program budget presents planned expenditures for each group of services without regard to the departments involved in performing the services. For example, most services performed by the Police and Fire departments are related to protecting the public and naturally become part of a Public Safety Program along with prosecuting personnel, the municipal court, and other related service activities.

**PROPERTY TAX LEVY – REGULAR**

This represents the amount of property tax allowable under State law which the City may levy annually without approval by the City's registered voters. Kirkland uses this tax primarily to support the General Fund and street-related services. The City also has a separately voted Parks Maintenance Levy. State law fixes the maximum levy in dollars per \$1,000 of assessed valuation and the annual rate at which total regular levy property taxes may increase.

**PROPERTY TAX LEVY – SPECIAL (OR EXCESS)**

This represents the amount of property tax which a city government may charge in excess of the "regular levy" upon the approval of this tax by a vote of the people. Cities most commonly use the revenue to pay the annual costs of voter-approved general obligation bonds. State law imposes a maximum limit on the dollar amount of such bonds which a city may have outstanding at any one time.

**PROPRIETARY FUND**

See Enterprise Fund.

**RESERVE**

An account which the City uses either to set aside budgeted revenues that it does not need to spend in the current biennium or to earmark revenues for a specific future purpose.

**RESOURCES**

Total dollars available for appropriation, including estimated revenues, interfund transfers, and other financing sources such as beginning resources forward balances.

**RESOURCES FORWARD**

Each City fund uses this revenue account to record estimated and actual resources available for expenditure in the biennium because of revenues collected in excess of the budget and/or expenditures less than the budget in the prior biennium. Can also be called Beginning Fund Balance.

**RESTRICTED/UNRESTRICTED REVENUE**

The City most commonly receives restricted revenue in three ways. First, a person pays a fee to the City and the City will use that money to provide a specific product, service, or capital asset. Second, the receipt of money is directly tied to an expenditure or is restricted by law. Finally, the City considers revenue restricted when voters or the City Council have designated it for a specific purpose. All other revenues are unrestricted.

**REVENUE**

Sources of income which the City receives during a fiscal year. Examples of revenue include taxes, intergovernmental grants, charges for service, and other financing sources such as

the proceeds derived from the sale of fixed assets.

**REVENUE BONDS**

City-issued bonds which pledge future revenues, usually water, sewer, garbage, or drainage charges, to cover debt payments in addition to operating costs.

**SERVICE PACKAGE**

Capital equipment, a new service, or a project which City departments add to their basic budget to enhance the quality and/or quantity of service they provide to the public.

**SPECIAL REVENUE FUNDS**

Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**SUPPLIES**

Cost of goods consumed by the City in the course of its operations.

**TAX LEVY**

The total amount to be raised by general property taxes for the purposes stated in the tax levy ordinance. (See also Property Tax Levy and Levy Rate.)

**UNRESERVED FUND BALANCE**

The funds remaining after reduction for reserved balances.

**USER CHARGES**

The amount the government receives for the provision of services and commodities, or the performance of specific services benefiting the person charged. User charges tend to be voluntary in nature, in contrast to mandatory property and income taxes. Citizens only pay user charges when a specific service is received.



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# COMMUNITY PROFILE



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# Demographics



## Population Growth

Kirkland is a growing, prosperous and diverse community and attracts people from all over the world. In June 2011, the annexation of several neighborhoods of unincorporated King County adjacent to the city increased Kirkland's population to an estimated **81,480**.

## Diversity

Along with population growth, Kirkland is becoming a more diverse community as people from many different ethnic backgrounds move to the city. Between 2000 and 2010, Kirkland's minority population grew from 14.7% to 18.5%. With the growth of the region's high-tech and computer industries, Kirkland is becoming a younger city as well. In 2010, roughly 50% of the population was between the ages of 25-54.

## Households

Kirkland is home to 33,122 households and 19,897 families. As of 2010, Kirkland's median age is 40.2 years; the median age for a householder is 47.1 years.

## Household income

In 2010, Kirkland's estimated **average household income** was **\$101,164**. The estimated median income was **\$81,927**.

## Education

Kirkland is fortunate to be at the center of a dynamic educational region. There are more than 15 colleges and universities within 15 miles of the city. Add to this Kirkland's established, highly educated workforce and employers have an outstanding base of qualified candidates from which to draw. More than 95% of Kirkland's population has at least a high school diploma. And more than 40% of the population age 25 or older has a college degree.

## Employment Snapshot

As of 2012, Kirkland has 4,842 registered businesses and employs 31,254 people. Roughly 40 percent are home-based businesses, and between 15 percent and 20 percent are involved in software development.



*Note: Statistics provided by Hebert Research*



## Education

### Colleges and universities near Kirkland

More than 15 colleges and universities are located in or near Kirkland, providing businesses and their employees with multiple venues and a wide variety of programs. Below is a partial list of local colleges and universities:

- [University of Washington](#), Seattle
- [Seattle University](#), Seattle
- [University of Washington](#), Bothell
- [Bellevue College](#), Bellevue
- [Seattle Community College](#), four campuses
- [Cascadia Community College](#), Bothell
- [City University](#), Seattle

### Schools

Children's educational needs are met through a variety of educational resources in Kirkland. The range of options includes both private and public elementary and secondary schools.

### Lake Washington School District

Kirkland is served by the Lake Washington School District, the sixth largest school district in the state and one of the region's largest employers. The school district covers a 76-mile area from Lake Washington to the Cascade Mountains and serves Kirkland, Redmond, as well as parts of Sammamish, Bothell and Woodinville. More than 23,000 students are enrolled in 51 schools, including 31 elementary schools, 12 junior high schools and eight high schools.

As an example of the district's commitment, U.S. News and World Report ranked Kirkland's International Community School (ICS) number 29 in its top 100 high schools in the United States for the 2009-2010 school year. ICS is a choice school serving students in grades 7 through 12.



### Private schools

In addition to public schools, Kirkland offers the following several private schools:

- [Eastside Preparatory School](#) (grades 6 through 12)
- [Holy Family Parish School](#) (grades Pre-K through 8)
- [Kirkland SDA School](#) (K through 8)
- [Countryside Montessori School](#) (Pre-K through 1),
- [Puget Sound Adventist Academy](#) (grades 9 through 12)
- [St. John's Preschool](#)
- [Our Redeemer Christian School](#) (preschool through Kindergarten)
- [Cedar Crest Academy](#) (preschool through Kindergarten)



## *Land-Use, Transportation & Neighborhoods*

Located on the shore of Lake Washington, Kirkland offers the conveniences of a big city with the personal feel of a small town. Kirkland prides itself on its strong sense of community, features unique neighborhoods and places a strong emphasis on maintaining a highly desirable quality of life for its residents and businesses. The city recognizes that housing diversity, pedestrian friendliness and a variety of transportation choices are key elements to a city's quality of life.

### *Land-Use*

Single and multi-family housing comprise the majority of Kirkland's land use, with the remainder being allocated to commercial, office, industrial, institutions, parks and open space, utilities and vacant space.

**Property Taxes** – In 2012, Kirkland's total property tax rate is \$10.54 per \$1,000 of assessed value. Of that total, \$1.46 per \$1,000 of assessed value goes to the city. For a \$400,000 home in Kirkland, the yearly property tax in 2012 would be \$4,216.

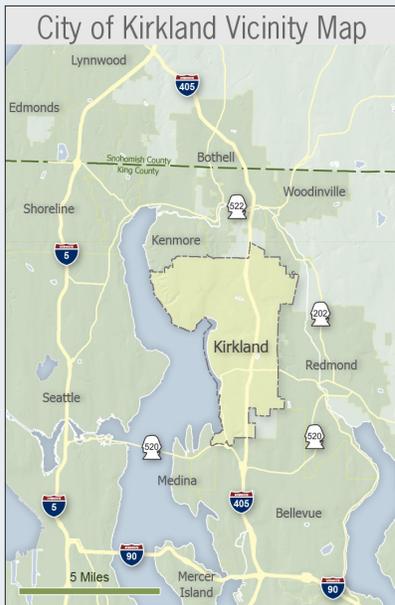
**Jobs-Housing Ratio** – A jobs-housing ratio is a basic measure of a city's economy in terms of the availability of local jobs for local households. With a jobs-housing ratio of 1.63, there are more than half again as many jobs in Kirkland as households. This ratio is higher than King County's ratio of 1.44 and notably higher than the combined ratio of the four county region of King, Snohomish, Pierce and Kitsap counties.

### *Transportation*

Kirkland's central location makes the city a great choice for both residents and businesses. Situated across Lake Washington from Seattle along the Interstate 405 corridor, Kirkland is easily accessible to and from Seattle via State Route 520 (the 520 floating bridge) and State Route 908, which connects Kirkland with neighboring Redmond, Washington.

While many people commute by car, others commute using public transit, bicycles, or by foot. Kirkland commuters are well served by King County Metro Transit, a county-wide bus network, and by Sound Transit, a three-county multi-modal transit network. The city's two major transit centers — one downtown and another along Interstate 405 in the Totem Lake neighborhood — put the entire region within reach. More information is available at:

- King County Metro Transit, <http://metro.kingcounty.gov/>
- Sound Transit, [www.soundtransit.org](http://www.soundtransit.org)
- [City of Kirkland transportation information](#) can be found on the City of Kirkland website under the Public Works Department tab.



Kirkland also offers transportation management services to major employers in order to help businesses make the best use of transit and parking options to ensure that employee's commuting needs are met.



## *Neighborhoods*

Kirkland takes great pride in its 15 neighborhoods, each of which possesses a distinct identity. Neighborhood associations feature community members who take an active role in preserving their neighborhood's character and style. Neighborhood associations also provide an efficient way for the city to interact and communicate with residents. Kirkland officially supports neighborhoods through its [Neighborhood Services Program](#).

- Information about Kirkland's neighborhoods can be found at the city's [Neighborhood Associations](#) page.
- The [Kirkland Alliance of Neighborhoods](#) is an association of the city's neighborhoods that meets to share important information about city-wide issues.

As of February 2010, Kirkland is home to 22,429 households divided between a mix of housing options including single-family homes, duplexes, multiplexes and apartments.



# Commercial Property

The City of Kirkland has premium business property available for lease and purchase, as well as property available for redevelopment.

## Business Districts

Businesses moving to or expanding in Kirkland have several business districts to choose from, each with its own advantages and amenities. Please see the included map for more details. The major business districts and their primary uses are:

- Downtown Kirkland – retail, office, commercial
- Carillon Point – retail, office, commercial
- Yarrow Bay – office, commercial
- Juanita Village – retail, office, commercial
- Market Street Corridor – retail, office, commercial
- 85th Street Corridor – retail, commercial, industrial, light manufacturing
- Totem Lake East and West – retail, commercial, industrial, light manufacturing

## Commercial Zoning

The City of Kirkland's business districts primarily focus on commercial, office space, mixed use space and light manufacturing. Kirkland is generally considered a high-tech, innovative work center with many information technology and service-based businesses, including a growing number of home-based businesses and entrepreneurs.

| Kirkland Commercial Real Estate |                      |
|---------------------------------|----------------------|
| <b>OFFICE</b>                   |                      |
| Total RBA                       | 2,336,538 SF         |
| Available SF                    | 250,009 SF           |
| Vacancy Rate                    | 10.7%                |
| Average Rental Rate             | \$25.78 Full Service |
| <b>INDUSTRIAL/FLEX</b>          |                      |
| Total RBA                       | 2,946,008 SF         |
| Available SF                    | 438,955 SF           |
| Vacancy Rate                    | 14.9%                |
| Average Rental Rate             | \$0.87 NNN           |

(September 2012)



"Tenants in the downtown business district and Carillon Point like the views, location and convenience. Kirkland has a good address."

- Brian Leibsohn,  
President, Linc  
Property Advisors, Inc.

"Downtown Kirkland is an ideal location for retailers because of the critical mass of destination retailers and restaurants."

- Monica Wallace,  
Broker, Wallace  
Properties

"When Google needed to expand to a permanent campus we wanted to remain in a place that would be conducive to talented engineers. Our campus needed to be in an environmentally positive place, close to Seattle and transportation, and a place where people don't end up being overwhelmed by large office parks.."

- Scott Silver,  
Former Google site  
director



## Kirkland Parks

### Priority: Parks

Kirkland's location on the shores of Lake Washington makes it a natural setting for spectacular parks. With 45 parks and nearly 10 percent of the city designated for parks or open space, Kirkland has an established record of developing, promoting and maintaining parks to suit a wide variety of uses.

Nine parks are found along the waterfront. Kirkland's many other parks are tailored toward recreation, neighborhood and community activities. Other parks offer a natural and scenic setting that encourages calm and reflection.

### A sampling of the city's parks includes:

- **Juanita Beach Park.** This large park in the Juanita neighborhood offers a spacious enclosed swimming area, picnic tables and shelters, barbeque bins, lighted tennis courts, little league baseball fields and a public dock among many features.
- **Peter Kirk Park.** More than 12 acres of open space in the heart of downtown, three blocks from the waterfront. A lighted baseball field is the centerpiece of a park that features basketball and tennis courts and a skate park. It's adjacent to the city's public swimming pool, the Kirkland Teen Center and Peter Kirk Community Center. Free Wi-Fi is available as well.
- **Juanita Bay Park.** The city's largest park is an urban wildlife habitat area. More than 100 acres of preserved wetlands and marshes are home to many species of birds, amphibians and other animals. The park features boardwalks, trails, open grassy areas as well as monthly nature walks.
- **Bridle Trails State Park.** Found along Kirkland's south-eastern border are 500 acres of natural woodlands. The park supports and promotes equestrian activities, with 28 miles of equestrian trails and show facilities. Horses are not required. While no motorcycles or bikes are allowed walkers and joggers are more than welcome.
- **Doris Cooper Houghton Beach Park.** Just south of downtown and one of several waterfront Kirkland parks, Houghton Beach Park is especially popular during the summer. A large swimming area, picnic tables, a children's playground and a public dock make for a compelling neighborhood park.
- **McAuliffe Park.** A unique park situated in a residential neighborhood. Acquired by donation in 2001, the site is one of Kirkland's oldest homesteads and was owned by only two families in 124 years. Notable elements include a large forested area, groomed lawns, water features and several well-kept period buildings.
- **Marina Park.** Downtown waterfront park helps define Kirkland's identity. Docks and a boat launch are combined with an amphitheatre, a public pavilion and even free wireless Internet access. Marina Park is a central location for gatherings and summer festivals.
- **O. O. Denny Park.** Located at the foot of Finn Hill. This 46 acre waterfront park was once the country retreat of Seattle pioneer Orvin Orvil Denny.
- **Heritage Park.** Located downtown, the park features trails and open space, interpretive displays and Heritage Hall, a former church and a designated Kirkland landmark.



"Parks, leisure and programs promoting a healthy life style enhance the quality of life in the community."

— Jennifer Schroder, Kirkland Parks and Community Services, Director

"I enjoy the solitude and the way I can walk away from my busy day and experience nature close to home."

— Candace Wallings, Kirkland resident, talking about her frequent visits to Juanita Bay Park

More information can be found at: [www.kirklandwa.gov/depart/parks/Parks.htm](http://www.kirklandwa.gov/depart/parks/Parks.htm) and <http://kirklandparks.net>



## Kirkland Arts

### Creative focus

Visual arts... music...theater...dance. A vibrant and dynamic arts scene is essential to the vitality of any community, and Kirkland has always encouraged the artistic spirit. Home to working artists and numerous professional art organizations, the city promotes a strong artistic atmosphere. The Kirkland Cultural Council, a group of 15 volunteers aided by city staff, works continuously to find ways to enhance and improve Kirkland's artistic climate.

### Arts groups/performance spaces

- **Kirkland Performance Center**

Opened in 1998, this 400-seat theater is Kirkland's centerpiece performing arts venue and one of the most popular venues on the greater Eastside. Showcasing a diverse range of national and local musical and theatrical artists, recent performances have featured Philip Glass, Mike Daisey, Richie Havens and "The King and I".

- **Kirkland Arts Center**

A visual arts community hub. Set in a historic 1892 building, KAC offers a wide wealth of educational programs for artists of all ages and abilities. Each month, classes and workshops help more than 2,000 students in disciplines ranging from painting to ceramics to sculpture. The gallery space provides numerous display opportunities for emerging and established artists alike, and is the only free, professional nonprofit gallery on the Eastside.

- **International Ballet Theater**

Founded in 2001 by Russian ballet master Vera Altunina, the company presents a diverse classical ballet repertoire with traditional and original choreography. Its International School of Classical Ballet teaches students of all ages how to explore a variety of dance forms through classical dance technique.

- **Studio East**

Noted children's performing arts school recently moved into a new Kirkland location. Operating with the understanding that live theater inspires children's imagination, StudioEast teaches all aspects of stagecraft to the next generation of theater performers. StudioEast's StoryBook Theater productions are classic children's stories set on stage and take place throughout the Puget Sound region.

- **Kirkland Choral Society**

From its modest 1988 beginnings, when rehearsals involved eight vocalists practicing in a rented basement, KCS now includes more than 90 audition-tested members who perform noted choral works from both classical and modern eras, including works by Pachebel, Beethoven and Haydn, as well as Daniel Pinkham, Benjamin Britten and Leonard Bernstein.



"I love the community here, and to me, community and art are intertwined. I have lived in Kirkland for 15 years. It's a place where you go to the store and run into friends and neighbors. These people have supported my art throughout the years."

— Kirkland artist  
Rebecca DeVere

"Kirkland hosts a vibrant creative arts community. You can see constant renewal with the art walk and pocket galleries, and the collaborations between artists and the city. The Kirkland Cultural Council through its planning and communication ensures that all of these endeavors work together. I don't think you can find a stronger commitment to the arts in such a beautiful setting."

— Former Kirkland  
Arts Center Executive  
Director Christopher  
Shainin

### Galleries

- **Howard/Mandville Gallery** features art in contemporary and traditional styles.
- **Parklane Gallery** displays paintings, photography and mixed-media created by its 35 artist-owners.
- **KPC ArtStage** in the lobby of the performance center offers a range of rotating artists.



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